JPRS 75800

2 June 1980

West Europe Report

No. 1583

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS 75800

2 June 1980

WEST EUROPE REPORT

No. 1583

CONTENTS

THEATER NUCLEAR FORCES

SWEDEN

Alva Myrdal Urges Military Plan Missile Defense
(Alva Myrdal; DAGENS NYHETER, 25 Apr 80) 1

COUNTRY SECTION

INTERNATIONAL AFFAIRS

Work of EC Commission Criticized, Reforms Proposed
(DER SPIEGEL, 28 Apr 80) 5

CYPRUS

Rolandis Outlines Current Government Developments
(Rolandis; Nicosia Public Information Office,
15 May 80) 9

Kliridis Reports on Visit to Karpas
(THE CYPRUS WEEKLY, 9-15 May 80) 15

FEDERAL REPUBLIC OF GERMANY

Bundesbank President on Monetary Policy, Inflation, Growth
(Karl Otto Poehl Interview; DER SPIEGEL,
21 Apr 80) 17

FRG Not Dependent on Trade With USSR
(HANDELSBLATT, 19 May 80) 25

FRANCE

Marchais Expresses PCF Solidarity on Madagascar Visit
(L'HUMANITE, 4, 3 Apr 80) 27

Georges Marchais Press Conference
Marchais-Ratsiraka Meeting, by Robert Lambotte
Marchais on Madagascar Relations, by Georges Marchais

Quantity, Quality of Officer Recruits Seen Deteriorating
(LE MONDE, 16 Apr 80) 38

Effects of Reduced Gas Supply From Algeria Discussed
(Blaise Orelli, L'USINE NOUVELLE, 24 Apr 80) 40

Increased Oil Purchases From Venezuela Planned
(Claude Goudier; L'USINE NOUVELLE, 24 Apr 80) 43

Sources of Weapons for Terrorists Examined
(Jean-Charles Reix; LE FIGARO, 21 Apr 80) 46

Responsibilities of Airborne Operations Unit Outlined
(TERRE INFORMATION, Apr 80) 48

Intervention Force Airborne Command Post Tested
(LE MONDE, 27-28 Apr 80) 51

GREECE

Government Blamed for Mining Failures
(HELLENEWS EXPRESS, 24 Apr 80) 52

Dispute Over Royalties, Patent Rights Reported
(HELLENEWS EXPRESS, 24 Apr 80) 53

Briefs
Future Road Transportation Problems 54
Price Control by Computer 54
Sfikia Hydroelectric Project 54
City Garbage Problem 55

ITALY

PCI's Pajetta on Paris CP Meeting, China Trip
(Giancarlo Pajetta Interview; DER SPIEGEL,
5 May 80) 56

Columnist Views PCI Independence From Moscow
(Giuseppe Galasso; IL MATTINO, 4 Apr 80) 63

Followers of Craxi Win Control of Calabria PSI
(GAZZETTIA DEL SUD, 11 Apr 80) 65

UIL Organ Supports Efforts To Organize Police Force
(Aurelio Massimi; LAVORO ITALIANO, 21 Mar 80) 68

PGCI Executive Committee Document on Youth Employment
(L'UNITA, 26 Apr 80) 71

NETHERLANDS

CPN Executive Committee Publishes June Congress Platform
(POLITIEK EN CULTUUR, May 80) 74

NORWAY

Desire for Bourgeois Parties Coalition Grows
(AFTENPOSTEN, 15 Mar 80) 86

Poll Shows Bourgeois Parties' Eight Percent in Lead
(AFTENPOSTEN, 22 Mar 80) 90

Center Party Chairman Pledges Coalition Desire
(AFTENPOSTEN, 17 Mar 80) 93

Paper Looks at Polls' Meaning for 1981 Election
(Editorial; AFTENPOSTEN, 17 Mar 80) 95

Nordli Admits Need To Gain Support of Bourgeois Parties
(AFTENPOSTEN, 24 Mar 80) 97

New People's Party Becomes Liberal People's Party
(Terje Svabo; AFTENPOSTEN, 21 Apr 80) 99

Maoist Party Intellectual Discusses PRC, Defense
(Ulf Renberg; ARBEIDERBLADET, 29 Mar 80) 102

Nonsocialists, Socialists Split Over Long-Range Defense Plan
(Various sources, various dates) 107

Defense Minister: Debate Good, by Per Brunvand
Majority Wants Four Percent
Coast Guard Development Program
Chemical Weapons
Services Cut Strength, by Knut Falchenberg
Mine-Sweeping Exercise, by Knut Falchenberg

Labor Party, Conservatives Move To Insure North Drilling
(Gunnar A. Johansen; ARBEIDERBLADET, 14 Mar 80) 116

Labor Party Paper Approves Northern Oil Exploration
(Editorial; ARBEIDERBLADET, 14 Mar 80) 119

Phillips Reduces Oil Reserve Estimates for Ekofisk Field
(Hans Chr. Erlandsen; AFTENPOSTEN, 21 Mar 80) 121

PORTUGAL

PCP's Brito on Presidential Candidates, Other Political Questions
(Carlos Brito Interview; DIARIO DE NOTICIAS, 27 Apr 80) 123

AD's Purported Changes of Constitution Analyzed
(O JORNAL, 3 Apr 80) 132

SPAIN

PCP Commentary Criticizes Spain's Support of U.S.
(Raul Jucar; MUNDO OBRERO, 20 Apr 80) 146

Slight Increase in Foreign Debt Reported
(ABC, 17 Apr 80) 148

Briefs
Vehicle Export Figures Published 149

SWEDEN

Falldin, Palme, Tham Comment on Liberals' Role
(DAGENS NYHETER, 18 Apr 80) 150

Falldin: Signs of Better Climate, by Ake Ekdahl
Palme on Cooperation With Right, by Sven Svensson
Tham: Protests Could Mount, by Ake Ekdahl

Liberal Foreign Minister Ullsten Warns on Economy
(Ola Ullsten; DAGENS NYHETER, 24 Apr 80) 156

Poll Shows Liberals Are Voters' Leading Second Choice
(Sven Svensson; DAGENS NYHETER, 27 Apr 80) 160

Deserting Coalition Would Risk Hastening Liberal Decline
(Editorial; SVENSKA DAGBLADET, 16 Apr 80) 163

Civil Servants' Cartel Official: Strike Paid
(Bjorn Anders Olson; DAGENS NYHETER, 12 May 80) 166

Wage Raises in New Pact Detailed
(Bo A. Ericsson; DAGENS NYHETER, 12 May 80) 168

Employers Association Suffered Defeat To End Strike
(Editorial; DAGENS NYHETER, 12 May 80) 170

Government Employees Led in Raising Strike Demands
(Editorial; DAGENS NYHETER, 12 May 80) 172

Bankers Warn of Serious Distortion in Credit Market
(Johan Myrsten; SVENSKA DAGBLADET, 1 Apr 80) 174

Central Bank Chief Wohlin Urges Tighter Credit Market
(Johan Myrsten; SVENSKA DAGBLADET, 1 Apr 80) 180

Bank Officer Describes Growing 'Grey Credit Market'
(Lars Erik Thunholm; SVENSKA DAGBLADET, 2 Apr 80) ... 183

Encouraged, OPAB Increases Gotland Oil Search
(Lasse Hoglund; DAGENS NYHETER, 9 Apr 80) 186

SWITZERLAND

Importance of Trade With CEMA Countries Analyzed
(Roger de Weck; DIE WELTWOCHE, 26 Mar 80) 188

TURKEY

'MILLI GAZETE' Blasts Justice Party, Policies
(MILLI GAZETE, 13 May 80) 192

More Credit Given Private Sector
(MILLI GAZETE, 8 May 80) 194

Number of Beggars Increases, Camp Set Up
(CUMHURIYET, 8 May 80) 195

Cotton Yarn Importation Requested as Domestic Prices Rise
(CUMHURIYET, 7 May 80) 197

ALVA MYRDAL URGES MILITARY PLAN MISSILE DEFENSE

Stockholm DAGENS NYHETER in Swedish 25 Apr 80 p 4

[Article by Alva Myrdal: "Can We Keep Our Neutrality"]

> [Text] Alva Myrdal writes, "The strength of our defense forces can not be measured by the size of the military budget, nor in the numbers of weapons or conscripts in our army, air force, and navy. The question is whether we have a strong defense against the modern threat--cruise missiles and intermediate range ballistic missiles."

There is certainly national unity for our having a strong defense--the greatest possible capability to protect our people, our independence, and our neutrality. I entirely agree with our country's large majority that we need "a strong defense" to secure these treasures.

But--what is it? How does the military catechism define "a strong defense?"

The phrase "a strong defense" is actually used as magic words, as if they work by themselves. It is utterly inappropriate to measure the strength of the forces by the size of the military budget. It is just as inadequate to measure the ability of the forces by the size of the army, air force, and navy--yes, even their qualitative performance.

Least of all can the strength of our forces be measured by the numbers of our conscripts and trained personnel--an illusory number which is often brought out as an argument for "universal military service"--the definition of which is all the young men who are physically capable of fighting.

The thought has already, however, begun to occur to a number of politicians that conscription in reality is not at all "universal," and even less should it be so in the future. Praise be to Kronmark for at least opening a freer discussion of this. Today's military establishment, structured as it is for defense against invasion, is nothing more than a Swedish Maginot Line. Needlessly expensive and ineffective. The "enemy" can now easily attack from around the outside, or more accurately from above.

World War

The fact that the Swedish Defense Establishment is shaped after an entirely antiquated model emphasizes even more that the risk of war has recently come much closer. Both the world's superpowers are derisively riding on the crest of an insane wave, in terms of both weapons and policies, and my interpretation is that there will be a world war in a short time.

I do not believe that the threat of war will just lie there and wait until the end of the century for the correct moment technologically, for which they have prepared with gigantic investments. Either there will be an entire change now towards willingness to negotiate, politically about the crisis areas and militarily on an end to the arms race, or else...

Then what do I mean by "a strong defense?"

In the first place it must be politically strong: a clear, sharp, and earnestly worded statement that in peacetime we intend to remain free from all alliances, we will not permit ourselves to be bound by dependence to either superpower, and in wartime we do not intend to either ask for or give help in any direction.

Next our defense must be economically as strong as possible. We must have our own production as much as possible, even if it costs large amounts, rather than import materials which create dependence. We must stockpile strategic materials, which we are now perhaps doing, but the public must know the extent of our endurance and demonstrate its willingness to sacrifice if necessary in order to strengthen it.

We must also be psychologically and practically prepared. That demands much deeper public awareness of our craving for independence and neutrality. That also demands much more practical training in what I will here call readiness for catastrophe, a building of our civil defense.

Next we must have that great reform that I recommended under the name of "universal defense" rather than "universal military service," which of course is not at all universal, because it only calls on a fraction of the young, really only a shrinking portion of the males.

Finally, the military establishment owes us critics and ultimately all the Swedish people honest and exact answers to the questions of which types of attack each of the defense branches are intended for and capable of countering.

What type of attack may take place against our country is of course not really foreseeable. But hypothetically one must work up and war game several different scenarios besides the overworked invasion attack.

I have myself attended a defense course for politicians and senior civil servants and I have seen that the military leaders are naturally preoccupied

with certain theoretical and possible threats. But how are the threats which are now planned for related to the types of attack which most recently have become all the more likely? And how are these attack possibilities in their turn related to the defensive weapons we now have and are procuring?

Protection of Neutrality

What we need for protection of neutrality I believe can be cited without much question: in the first place surveillance systems with reconnaissance aircraft, fighter planes to repel foreign overflights, and also certain naval forces with similar tasks, and finally air defense as an important element in our entirely defense-oriented military establishment. All these things are necessary to internally and externally demonstrate our will to defend our neutrality against those who would violate it.

But later? We have certainly practiced enough against a landing of Soviet troops from the east intended to "conquer" Swedish soil. But what preparedness have we against an attack of American cruise missiles from land bases in the south or from the sea to the west, which the attacker could assert was "necessary" to paralyze Swedish communications and command centers? The remote controlled intermediate range ballistic missiles [IRBM] which both sides have, with catastrophic capacity would, in a world war, be used mainly as a blackmail threat against us even though the true goal of the conflict was not the occupation of our country. What do we have for defense against these?

Colonel Carl Bjoreman of the defense staff wrote the following in DAGENS NYHETER on 15 April:

"The most important question is whether the superpowers, most probably the Soviet Union, believe in our ability to detect and shoot down cruise missiles, which can be fired in large numbers from the Norwegian Sea against the Soviet Union.

"Entirely apart from whether we should shoot them down--which is part of the difficult neutrality problem--there is the further question of whether we can do it."

Dear gentlemen of the defense staff, by all means tell me and the others who are interested. What can we offer as a defense against cruise missiles and IRBM's? Previously the military has never answered questions about our capability on this subject, but has just brushed them off with generalizations. But we have the right to know. Have we "a strong defense" against the threat of these modern weapons?

Similar questions should be asked repeatedly of the military until they are required to explain exactly what equipment is needed--and for which we should be willing to pay.

The defense discussion often raises interesting questions which have nothing to do with Swedish defense. The large naval base at Murmansk and the super mobile American submarines with their new navigation systems of course belong to the strategic forces of the superpowers, aimed against each other. They can hardly be expected to be used against us. They are not the kind of threat that needs to be included in what we must be able to defend against.

The most important for use are the tactical weapons on both sides of the east-west line in Europe, IRBM's most of all, which are now openly being planned to carry nuclear warheads. They are now the strongest growing threat in our vicinity.

The war plans of the superpowers are an accelerated competition for modernized arming for a European war, which will contribute to protecting them both from first and second strike attacks, if it comes to a measurement of strength. It also shows a common intention to sacrifice Europe. In the first place Germany, and also in a wider circle Poland, Czechoslovakia, Holland, Belgium--and Norway, which is something that should really encourage debate in our country.

It is incomprehensible why the youth groups in our country do not lead a new defense debate. The establishment is so politically secure that we still have no really new defense plan for 1982. So I recommend that those who want to be foresighted should now work toward a new debate on the 1987 defense plan.

Its purpose should be twofold. Partly to put pressure behind the new and growing wave in England, Holland, and also Germany for a nuclear-weapon-free Europe. Partly to ask our military authorities for an exact account of what "a strong Swedish defense" really requires in order to meet a hypothetical but realistic attack with modern weapons against our country.

Simple cliches such as "a strong defense" no longer are enough to convince our critical but also responsible youth.

9287
CSO: 3109

WORK OF EC COMMISSION CRITICIZED, REFORMS PROPOSED

Hamburg DER SPIEGEL in German 28 Apr 80 pp 165-170

[Article: "New Jobs"]

[Text] An overburdened president, too large a team: The EC Commission is no longer able to function properly.

In a small circle, Otto Schlecht, Bonn's state secretary for economics, confirmed the misery of the European Community. After a fruitless session of the "Eco-Fin-Council," Brussels jargon for the body of the economics and finance ministers, the leading German official complained that there has been hardly progress in the dispute over British contributions to the European Community because there is no mediator.

As a matter of fact, the current stalemate in the Community cannot be ignored. Led by the British Labourite Roy Jenkins, the Commission is in such internal disarray that its members are already looking for new jobs, with the result that Europe's leading team has been unable for months to function properly.

Italy, the presidial power which is chairing the Council of Ministers for the first half of 1980, was charged by the Dublin summit in November of 1979 to come up with a compromise in the dispute over England's contributions to the European Community, but it is spending so much time on Rome's domestic problems that there is no time left for Europe.

During their summit, which began on 27 April in Luxembourg, the nine EC heads of state and government have not only been dealing with current crises--Great Britain's contributions to the budget, agricultural markets, an energy policy--but also with the question of how the most important organs of the Community--Commission and Council--can meet future challenges more effectively.

On the chief's table there are two reports with analyses and suggestions for improvements. Jenkins had commissioned Dirk Spierenburg, a former Dutch diplomat, to investigate the work habits of the Commission.

The gist of his findings: "it is a fact that the Commission is operating in a manner and using techniques that do not fit the given circumstances.

In 1978 the European Council had charged "three wise men" with conducting the same investigation: Barend Biesheuvel, former minister president of Lower Saxony, Edmund Dell, former secretary of state for trade, and Robert Marjolin, former French vice-president of the Commission. Result: The methods of operation in the Commission will have to be improved significantly if it is not to become a mere secretariat of councils of ministers and European summits.

Nevertheless, as far as the revitalization of the Commission is concerned, which at one time was considered the driving force of European integration and which optimists regarded as the beginning of a European government, these opinions can offer only one possibility for reorganization: The wise men are advocating that in the future each member nation should send only one commissioner, the right to two commissioners enjoyed by the big countries--Great Britain, Italy, France, and the FRG--is to be eliminated.

In the opinion of the experts, the resulting reduction from the current 13 to 9 departments--if the EC were expanded to include Greece, Spain and Portugal there would be only 12 commissioners instead of 17--the functionability of the body, intended as a collective organ, would be significantly strengthened; at the same time, the current number of 20 general directors would also be drastically reduced.

Anyway, even the Commission admits that its competency is barely adequate to establish 13 bodies of more or less equal weight, let alone 17 bodies. It is also evident that the Jenkins Commission was not discredited because of its size but because the Briton possesses no team-leader qualities and because some colleagues made the headlines because of their misuse of expense accounts and alcoholic excesses rather than solid work, as was the case with the German Wilhelm Haferkamp and the Netherlander Henk Vredeling.

In addition, national governments have been using the European summit and frequent meetings by the council of ministers to gradually take over more and more of the initiatives of the Commission.

Furthermore, the recipe of the wise men to reduce the Commission in the prestigious section of the EC did not meet with the approval of all EC governments. As a matter of fact, the Germans agreed but the French and the Italians protested.

Paris objected on the grounds that it would bring about a fundamental change in the political significance of the composition of the Commission. Rome maintained that the proposed reduction would render more difficult "a balanced representation in the Commission of the large political formations in Europe."

Since the structure of the lading European body can only be changed unanimously, the proposal by the wise men is thus practically dead. On the other hand, a better-class burial is anticipated for a proposal of reforming the Council made by Klaus von Dohnanyi, Bonn's minister of state in the Foreign Office. According to the analysis by the Social Democrat, today's concept of the work of the Council is still the same as it was in 1958. As a consequence, the Council president--as a rule a foreign minister--has enough to spend half a year almost exclusively on looking after the management of the Community.

The fact that today this attitude is far from being realistic, was underscored by Dohnanyi by referring to the appointment calendar of Minister of Foreign Affairs Genscher during the German presidency from 1 July to 31 December 1978. During this period, the active FDP chief was not only expected to lead the Community of Nine, he also had to attend 500 domestic meetings--in Hesse and Bavaria there were regional election campaigns. In addition, he undertook 31 trips abroad.

To remove the dependency of Council activities from domestic political obligations of the respective chairman, the German suggested that the secretariat of the Council be headed by a political secretary-general, who would be able to relieve the chairman of internal responsibilities and provide continuity in the 15-study Council building on Brussels' Rue de la Loi.

The present secretary-general, Nicolas Hommel of Luxembourg, likes to be called "Monsieur l'Ambassadeur," and internally the saying goes that he makes an appearance at the Council sessions only when someone from among the ministers is asking for whisky at the twilight hour.

Dohnanyi's colleagues expressed their interest and approval of the upgrading of that position. At the same time, however, they made it clear that the future secretary-general of the Council should definitely not become so powerful that he might come into conflict with the Commission or perhaps even with the Council chairman.

The only reform proposal of significance which can be accepted by all heads of state and government is the suggestion that the Commission president be appointed as early as 6 months before his term in office begins. Thus, between July and the end of 1980, the new man can discuss political and personal opinions with the governments of the member nations.

The first candidate for the top job in Brussels is already on the market. Copenhagen secretly informed other capitals that it will nominate the Dane, Finn Olav Gundelach, currently commissioner for agriculture, for the office of president of the Commission.

To date, the big partners have not contested the internal claim by the small EC nations, according to which a representative from their own ranks should be placed in the top seat of the Commission. Nevertheless, the standard which they are applying is that each candidate must be suitable for the office of head of government in his native country. Gundelach, however, does not measure up to this standard: He is considered an eccentric, although a capable bureaucrat.

Politicians of the required caliber are available in other small countries; however, they have not yet announced their candidacy for the chairmanship of the Commission, because they have not yet been able to size up their chances.

Others who must be considered serious candidates are Holland's former Prime Minister Biesheuvel, Belgium's former Prime Minister Tindeman and Luxembourg's former Prime Minister Gaston Thorn, currently his country's minister of foreign affairs.

Since the Luxembourger lost the presidency of the European Parliament to Simone Veil, who had been favored by France's Giscard, many are of the opinion that this time it is the turn of the versatile Thorn, since Belgium and the Netherlands have already headed the EC, with Jean Rey and Sicco Mansholt respectively.

Thorn, however, wants to know first of all what the new political profile will be of the new body, as determined by the heads of government. The liberal person from the Grand Duchy does not want to be a political fig leaf, presiding over a Commission of bureaucrats.

8991
CSO: 3103

ROLANDIS OUTLINES CURRENT GOVERNMENT DEVELOPMENTS

MC160853 Nicosia Public Information Office in English 15 May 80

[Text of Foreign Minister Rolandis speech at Famagusta Lions Club dinner in Limassol on 15 May 1980]

[Text] Almost six years of hard and persistent efforts both in the international field and in the Cyprus political arena for progress in or solution of our problem have not produced any result. The Cyprus problem and dozens of other unsolved problems presage the sad fate of humanity, if the international community continues to bow to force and to show disregard for justice. Pascal said that "power without justice is tyrannical." Unfortunately, however, especially in the last two-three years, we have been constantly witnessing this phenomenon, that is the use of power by those who possess it in any form, without any logical, moral or legal basis behind it. We wake up every day and wonder: "Who will strike today and where?" Troubles in the Lebanon, war in Chad, a coup in Liberia, Red Brigades and Baader Meinhof in Europe, dangerous tension in Afghanistan and Iran, an explosive situation in the West Bank, war skirmishes between Iran and Iraq, problems in Uganda, suppression of human rights in Namibia, war in Western Sahara, starvation and liquidation in Cambodia, stepping up of armaments in Europe, foreign occupation in Cyprus--all these that have been increasing not by arithmetical or geometrical progression constitute part of a sorry scene due to the greed of man, political and military antagonism and the unacceptable and yet existing situation that allows the powerful one to tailor justice to suit his own needs and his own standards and shape it the way he wants.

Why I am telling you all this? Because our problem is part and parcel of all this, is part of the above international realities and is directly related to the tension that has spread to every corner of the earth. If we isolate it we shall lose sight of its true perspective, we shall miss the clue of Ariadne that will guide us through the labyrinth.

The Cyprus problem has been created by an invasion carried out against one of the smallest non-aligned countries by Turkey, a NATO member-country with the second largest army in the alliance after the United States. The huge military imbalance between Turkey and Cyprus not only continues to exist but it has substantially increased at our expense since 1974.

Turkey has consolidated and entrenched its positions in the northern part of Cyprus and has categorically stated that it does not intend to withdraw its army or negotiate with us or recognize the decisions of world organisations. Denktas, it has told us, is the man to talk with.

Our problem, our real problem, lies in the fact that Mr Denktas, with the backing and apparent consent of Turkey, has since 1974 been thinking and speaking practically of nothing else but partition of Cyprus or a solution that would contain the seeds of partition and would sooner or later lead to it. Here is a sampling of statements made by Mr. Denktas in the last 18 months:

28 November 1978: "I personally believe that the time has come for the establishment of a separate state."

22 February 1979: "I would accept minor border adjustments in Cyprus but would not be prepared to make further concessions." (attention is drawn in particular to the use of the world "borders").

16 July 1979: (In this statement Mr Denktas gives an interpretation of the word "bizonal" which he insists we should accept in advance in the event of resumption of the talks.) "The meaning of bizonal is that I am a state that has territory as one of the two federated states. I am sovereign on many things within this territory. My sovereignty is absolute. No one can take it away from me."

24 November 1979: "We have reached the point of setting up a separate state in the north."

5 February 1980: "The time has come to do what is necessary...the Turkish Cypriot community will declare its existence in northern Cyprus."

There is no doubt in the minds of those frequently talking with Mr Denktas--I have been told this by many a diplomat--that, judging at least by what he says today, he is not going to accept anything more than a loose confederation, which in fact would equate the 82 percent with the 18 percent of the population. That is, Mr Denktas on the one hand wants division which he disguises with the words "bizonal" and "security" and on the other equality which he calls "equal partnership." Not only this. These two things, that is "division" and "equality" of two unequal parts, he is not prepared even to discuss. He wants us to accept them prior to any negotiation. That is, he wants us to sit at the negotiating table with our hands tied and our mouth gagged.

Thus, is the Cyprus problem a question of good or bad handling or a question of change of Turkish mentality and position? Numerous approaches have been made in the last couple of years to all those who could help. There has been no result because the Turkish position for a divisive solution remains basically unchanged.

Even those who today disagree with the government admitted in the past that the Turkish response and stand was the key to a solution of the Cyprus problem. I give some extracts:

1. Statement by Mr Glavkos Kliridis at Pentagia on 17/1/1971: "The finding of a solution to the Cyprus problem within a reasonable period of time will depend on whether there will be a positive and constructive Turkish response to the views we have expressed. Otherwise the possibility of settlement of the Cyprus problem should be regarded as very remote."

2. Statement by Mr Glavkos Kliridis in Washington on 17/6/1975: "It is possible to have progress in the talks...only when the Turks show goodwill and define their position on the controversial issues."

3. Statement by Mr Tassos Papadopoulos in New York on 12/11/75: "As long as Turkey seems to be interested only in carrying out talks for the sole purpose of legitimizing, through our signature, its military invasion and occupation...the negotiations are not and cannot be constructively and freely carried out...these are the true reasons why the negotiations have not until now and cannot in future be truly commenced, let alone make progress."

4. Statement by Mr Glavkos Kliridis in Nicosia on 31/12/1975: "Progress in the talks will depend on whether the Turkish side will come to the talks with the intention of negotiating, within the framework of the United Nations and its resolutions, a just solution of the Cyprus problem."

5. Statement by Mr Tassos Papadopoulos in Nicosia on 7/11/1977: "However, the way the other side approaches the talks is entirely different. Turkey considers the negotiating table as a suitable forum to dictate unacceptable conditions, to submit unreasonable demands and to turn the negotiating table into the table on which our unconditional surrender should be signed."

The Western countries which, being allies, could exert influence or pressure on Ankara for a solution to the Cyprus problem, are not doing it in an effective way. Despite the existence of different views, obviously what at this moment carries weight for them, more than anything else, in the area is the value of Turkey and they do not want to risk the smooth development of their relations with this country.

This is a reply to those who thought, or continue to think that the 1978 Western plan was a panacea for all our problems. That plan, for reasons set out and explained many times, contained such unacceptable positions that the government could not accept it as a basis for negotiations--it only accepted it as a non-committing working paper.

Despite this, some argue: "Yes, but the Western plan had behind it the weight and the pressure of the Western factor at a time the world was not so much in need of Turkey."

I am sorry to say that this position is absolutely wrong. First of all what is the use of exerting pressure in support of a plan which contains elements unacceptable to us? And then, even if for a moment we forget the unacceptable elements, I believe that we deliberately delude ourselves if we think that in 1977 or 1978 the West was ready to exert pressure on Turkey. Let us not forget that:

1. In 1977 Makarios submitted our well-known proposals on a map after receiving, according to documents of my ministry, assurances from a leading Western country that Turkey would negotiate in a meaningful manner, that it would submit concrete and realistic proposals on the constitutional issue and that, if we submitted a map, the Turkish response regarding the territorial issue would be both substantive and meaningful. Makarios did submit the proposals as he had promised. But the Turkish side did not respond at all because the West had not apparently been able to achieve what it had promised. And let us not forget that at that time we were in 1977 when the West was not facing the problems of Iran, Afghanistan and CENTO.

2. In August 1978, that is three months before the submission of the Western plan, the US Congress lifted the embargo on Turkey. The basic reason for the lifting of the embargo was the enormous importance of Turkey to the Western alliance.

Why then must we assume that what the West failed to do in 1977 or in August 1978 it would do in November 1978? And in any case, what would be the benefit for us since the November 1978 plan was not satisfactory to us?

By the above I do not mean that the government will abandon its efforts in the direction of the West or any other direction for the solution of our problem. Keeping the Cyprus problem within its proper framework, the framework of the world organisation, we shall continue to exert efforts in the right direction at the right moment. I would only like at this point to repeat something I said one month ago: "National issues cannot be solved properly from one day to another." This is not only our own experience. This truth dates 3,000 years back and covers the whole world.

Our policy at this moment is following two parallel courses supplementary to each other:

1. We are trying to maintain our existence as a state. If this status is lost and we end up in becoming a "Greek Cypriot administration" then Cyprus will consist of two communal administrations and de jure partition will come about. Thus we must preserve our status as Cyprus Government as an apple of the eye. We must strengthen and project this status in every way both locally and abroad. The UN resolutions, our participation in international conferences, our recognition by all governments, the personal relations of officials of our government with counterparts of other governments, frequent contacts and the rewarming in our links with international political figures, constitute ways to maintain our state existence.

As the competent minister I say responsibly that our relations with almost all countries in the world are good and are continuously being strengthened and the interest in and support for Cyprus by many heads of state or government and other political figures is noteworthy indeed. This is something we had the opportunity to establish once more in Belgrade recently. This, of course, does not mean that we have the monopoly of international sympathy. We must not forget that Mr Denktas is very active in the Islamic world, trying to present black as white, despite the fact that we, too, have friends and are in continuous touch with them in this camp. Also we must not forget Turkey with its geopolitical importance and its enormous expenditure on its foreign services and enlightenment, which according to our information, is about forty times more than our small budget in these fields. I would say that within our potential and even beyond this potential we must try continuously and unremittingly to maintain our status as state and government. In order to solve our problem one day we must continue to exist.

2. If to maintain our existence as a state is some kind of political defense, the dialogue constitutes our political offensive. It is a fact that this method has not proved fruitful so far and now we are encountering difficulties not to carry out a successful dialogue but merely to start a dialogue. For how can one start the dialogue when there is for an example a Turkish demand for acceptance in advance of "bizonality" which Mr Denktas himself interpreted publicly, as I already said, as meaning that Mr Denktas is sovereign and that his sovereignty is absolute? Despite the difficulties, however, the dialogue process is the indicated course in our political offensive. We should continue trying and moreover we should protect this method because, if fair views about Cyprus ever prevail in Ankara, the dialogue will be the vehicle leading to a solution.

The committee, which should be appointed by the president of the UN General Assembly soon, could help in the dialogue process. The presence of independent representatives from various countries at crucial moments in the talks would lend strength and provide the secretary-general with new leverage in his task. The unfortunate rejection by the Turkish side of the decision to set up a committee will limit its activities, when it is set up, to the field of internationalisation. As I explained above this role, too, is useful. But its usefulness could be twofold. Besides, the resolution provides for a dual role.

I think that it would be an omission to conclude this brief speech without referring to the serious crisis in our internal front. The Cyprus problem is per se a difficult and hard to solve problem, without internal tension. When this tension is added, the problem becomes insoluble. I firmly believe that if our problem is to have any chances of being solved we must keep it free from political and partisan considerations. We should approach the Cyprus problem as a national problem and not as a political or partisan issue. We are entering a period of party tension in view of the 1981 parliamentary elections. If the Cyprus problem is frequently raised at the platforms of political gatherings, we ourselves will kill any chance for

a solution. I believe that the representatives of all parties should participate in the national council and attend its meetings or have private meetings with the president, for the purpose of charting, despite difficulties, a national policy on Cyprus. The Cyprus problem should become a national and not a partisan platform, if we do not want to destroy with our own hands even the slim chances for a solution which might come our way one day.

CSO: 4908

KLIRIDIS REPORTS ON VISIT TO KARPAS

Nicosia THE CYPRUS WEEKLY in English 9-15 May 80 p 3

[Text] Opposition leader Mr Glafkos Clerides has made a one-day trip to the Turkish-occupied Karpas Peninsula and declared on his return that it was "one of the most moving experiences" of his whole life.

"The elderly enclaved people in the Karpas want to come to the free areas of Cyprus, mainly because they miss their relatives and feel that they can get better medical treatment over here. But they want to come across on the one condition that they will be allowed to return to their villages to die and be buried in the soil of their ancestors," Mr Clerides said.

He emphatically denied that he had signed any document or application before he went over to the Karpas. "I was never asked to sign any document," he said. "During my meeting with Mr Mustafa Caggatay I told him I wanted to visit the Karpas and he said he would arrange it. The only outstanding question was the date."

Referring to suggestions in some papers, he said: "It appears that some people have a hysterical phobia about signing papers."

The first Greek Cypriot leader to visit the enclaved villages in the north of the island, Clerides went to Rizokarpasso, the easternmost township in the peninsula Ayia Trias and Leonarisso, where he visited schools and talked to Greek Cypriots in privacy.

He also made a pilgrimage to the historic monastery of St. Barnapas, near Famagusta, one of the most sacred shrines of Greek Cypriot Orthodoxy. There are no monks in the monastery but, Mr. Clerides said, the building and the gardens are clean and well kept.

"All the icons appear to be in their places and none of them are missing", said he on his return.

Clerides said the main problem of the enclaved Greek Cypriots is that they feel isolated. He went on: "Their children and relatives cannot go to see them and there is no way for them to send or receive any letters.

"Another major problem is that although there are a number of Turkish doctors who speak Greek and the enclaved Greeks are allowed to go to Famagusta hospital, they would much rather come to Nicosia hospital".

The enclaved people regularly receive the food and money the Government sends them, but feel that the money is not sufficient as they have no chance to market the small amount of agricultural produce that they grow, Clerides said.

Clerides drove to the Karpas in his own car "with my two bodyguards, one of them drove the car and the other sat in the front. I was alone except for Mr. Husrel Suleiman, the head of the Turkish held part of the island a total of eight hours. At midday he stopped at Bogaz and had fish, he said.

Asked what was happening to the tobacco grown at Boghaz, Mr Clerides said: "They have not grown any tobacco this year. Only very little. One of the problems they faced was that they could not sell their products. There are no buyers"

Clerides said he would brief the Government fully on the problems of the enclaved people in the Karpas peninsula and would also take up all the points raised when he meets Mr Cagatay again.

How did he feel when he got to the Karpas? "From a humanitarian point of view you cannot help being moved, especially when you see villages which once used to pulse with life and where you see nothing but old people now.

"The reception that my fellowcountrymen gave me at Rizokarpasso will remain as one of the most moving experiences in my whole life", Clerides said.

There are 1,500 Greek Cypriots in the Karpas peninsula of whom 1002 are at Rizokarpasso, 273 at Ayia Trias, 31 at Leonarisso, 20 at Trikomo, 10 at Ayios Andronikos, two at Yialousa, two at Ayios Theodoros and three at Ayios Georgios.

CSO: 4920

BUNDESBANK PRESIDENT ON MONETARY POLICY, INFLATION, GROWTH

Hamburg DER SPIEGEL in German 21 Apr 80 pp 39-48

[Interview with Bundesbank President Karl Otto Poehl: "New Dimension of Note-Issuing Bank Policy"]

[Text] SPIEGEL: Mr Poehl, did you have any idea that the first few months of your presidency would be that hectic?

Poehl: I neither imagined it nor desired it.

SPIEGEL: The first 100 days brought exorbitant rises in interest rates, a hectic up and down of the dollar and, above all, a deficit in the balance of payments which is steadily growing.

Poehl: Without doubt, the foreign trade situation has changed drastically. Primarily as a consequence of oil price increases, the FRG balance of payments showed its first deficit since 1965, reaching DM 9 billion. And according to current predictions, this development will not only continue this year but probably intensify.

SPIEGEL: What is your prognosis?

Poehl: The expected deficit in the 1980 balance of payments is generally estimated at DM 20 billion.

SPIEGEL: And is there any indication of change for the better?

Poehl: I am afraid that for the time being it cannot be expected.

SPIEGEL: Why not?

Poehl: The reason for this deterioration, the doubling of our oil bill within 2 years, is certainly permanent. Consequently, we will have to expect balance-of-payment deficits for several years. In addition, we are also experiencing a deficit in the balance of capital. Because the FRG is exporting considerable amounts of capital, for instance, for

development aid and also for direct investments of German enterprises abroad. Altogether, an amount of approximately DM 30 to 35 billion in our balance of payments has to be financed through capital imports or by withdrawing funds from our currency reserves.

SPIEGEL: Somehow or other, it is coming as a surprise, even for Bundesbank experts.

Poehl: You can say that again. We were so accustomed to surpluses in our balance of payments that we need some time to adjust to this new situation. On the other hand, however, I don't see any reason for dramatizing this development. As a consequence of last year's oil price explosion, practically all industrial nations experienced more or less large deficits.

SPIEGEL: To date, you have financed deficits primarily by drawing upon the reserves. In the long run, however, that is not a good idea.

Poehl: In recent months we have experienced a substantial decrease in our foreign currency reserves. If I include foreign currency loan transactions which will be due in the near future, the decline in the reserves since the beginning of the year will be in the neighborhood of almost DM 20 billion.

SPIEGEL: In other words, FRG Germans have been living from the capital?

Poehl: "Living on the capital" is perhaps too dramatic an expression. But it is true, such a deficit cannot permanently be financed from reserves. It must be financed on the market place, in other words: first of all, through capital imports.

SPIEGEL: But importing capital means, in the end, that the Germans are living on borrowed money.

Poehl: The FRG should certainly not be a country that keeps on having deficits over a prolonged period of time. It is not suitable for one of the biggest industrial nations. In other words, we must follow a policy which will lead to a reduction in deficits.

SPIEGEL: After 1973/74 the Germans were still able to absorb the oil price increases. Already at that time, voices could be heard that the FRG would run deficits and then--like a miracle--there was a surplus. Why not now?

Poehl: In 1974/75 our constellation was much more favorable. At that time we were experiencing an economic decline, whereas others were in a phase of economic boom. The results were that we had unused capacities which could be used more or less to fill the gap. We were able to increase our exports significantly...

SPIEGEL: ...also to the OPEC nations.

Poehl: Especially to the OPEC nations. In this manner we could quickly balance our oil bills through increased exports. This time the oil price increase hit at a time of economic boom and during a phase when our imports were already rising at an extraordinary rate. Even without the oil price increase our balance of payments would certainly have changed. It is true, we would probably not have run a deficit, but the surplus would more or less have disappeared.

SPIEGEL: Back to oil. It is to be expected that oil prices will continue to rise during the next few years. Consequently, there is no way that we can predict how the deficit in the balance of payments could disappear within the foreseeable future.

Poehl: Without great efforts it will certainly not disappear. In the long run, nonoil-producing countries can solve the entire problem only by reducing imports, i.e. through conservation and substitutes for oil.

SPIEGEL: What other alternative can you think of?

Poehl: The second possibility for removing the imbalance, naturally, consists of drastic increases in imports by the oil-producing countries. It helped us after 1973/74...

SPIEGEL: ...and in the meantime it has reached certain limits.

Poehl: It is getting more difficult than it was. At that time, these countries were practically at zero. Moreover, today Iran can more or less be counted out. And Persia was at one time one of the really big importers. For these reasons, the reduction in the imbalance will certainly create big problems.

SPIEGEL: If FRG Germans cannot manage to eliminate the deficit toward the OPEC countries, they could, after all, get back in the black at the cost of their European partners and the United States.

Poehl: If everybody tried to solve their deficit problems at the cost of others, the result would probably be a return to protectionism or a worldwide recession. As a group, the industrial nations will certainly have deficits toward the OPEC countries for a long time. Nevertheless, the amount is not a God-given figure which cannot be changed. Industrial nations must, if possible, establish a worldwide policy in an effort to reduce their dependency on oil imports.

SPIEGEL: In your opinion, has the FRG government done all it could in this respect?

Poehl: All governments have failed to apply consistently what they learned in 1973/74. We know the great difficulties which confronted us and are still standing in the way of an efficient monetary policy--not only here

but in all the countries of the world. It could be possible, however, that the second oil crisis, which we are experiencing right now, will have a greater impact and awaken the people.

SPIEGEL: To date, politicians have contributed very little to awaken the people. Politicians and citizens act as if the Bundesbank is still accumulating fat surpluses rather than expecting a deficit running into the billions.

Poehl: The radical change in our foreign trade situation with all its consequences has certainly not yet penetrated the public awareness.

SPIEGEL: In recent weeks, the FRG began to accumulate direct debts in an oil-producing country, Saudi Arabia. Is there not a danger that Germans, as happened with Americans, could get used to having budget deficits financed by the OPEC countries rather than returning to a balanced budget?

Poehl: Even in the past, some of the Federal Government bonds were not only acquired by German citizens but also by foreigners. And it was certainly legitimate, although there were certain restrictions which, in view of the changed situation affecting the Federal Government and the Bundesbank, have now been totally removed. Consequently, the public sector, naturally, can borrow money wherever the terms are most favorable, just like any other debtor. By the way, this applies to loans in German marks not foreign currencies. Incidentally, oil-producing countries should be provided with attractive opportunities to invest their surpluses, unless one wants to risk a cut in oil production.

SPIEGEL: That is not an answer to our question. The fact is after all: Because higher prices have to be paid for oil, a transfer of wealth is taking place. To put it simply: Something is slipping away, and the Germans can no longer consume it, unless it is done on credit...

Poehl: ...that is true, very true.

SPIEGEL: It is our impression that this change is not being met with the appropriate reaction. The government, for instance, is not reducing its expenditures but is now borrowing money from the oil-producing countries.

Poehl: In my opinion, there are several options of reacting to this new situation. First of all, there is no doubt, as mentioned above, that attempts must be made to bring about a real transfer by increasing exports to the oil-producing countries, as was the case in 74/75. In fact, by 1978 we had again achieved a surplus in our bilateral trade with oil-producing countries. I certainly would not underestimate these chances. The FRG export is structured in such a manner that even during this severe oil crisis we have a very good chance of substantially increasing our exports to the oil-producing countries.

SPIEGEL: But whatever is exported to these countries can no longer be consumed at home.

Poehl: Well, that is the second consequence, and, perhaps, it has not yet been fully understood by everybody. A German mark that has been spent for oil cannot be spent again for wages, profits, government outlays or other charitable purposes. No doubt, because of this new development, the latitude for increasing the living standard in the FRG has been reduced. It must be recognized and it must have consequences--with regard to the spending of personal income as well as government revenues.

SPIEGEL: Let's begin with the private sector. What about the most recent wage increases? Were they reasonable in view of the new burdens faced by the FRG?

Poehl: The wage settlements are more or less in keeping with the figures of the annual economic report. With that in mind, they could be called "reasonable." Nevertheless, they do mean an increase in the unit-labor cost by 4 percent.

SPIEGEL: And the government? In spite of a booming economy, this year the Federal Government, Laender and local governments are again borrowing DM 46 billion on the capital market and from banks. In view of the new situation, aren't these loans too extensive?

Poehl: I believe that the policy of so-called deficit spending, which was used in 1765/76 to overcome the recession...

SPIEGEL: ...and you, the state secretary of finance, had a part in it...

Poehl: ...that this policy was the right one at that time and helped to overcome the recession. The problem, however, that was not recognized at that time is the fact that it is apparently difficult to reduce such a deficit. Unfortunately, even during the relatively good economic years of 1978/79 the deficit could not be reduced as much as might have been desirable. And a budget deficit of the size that is expected for 1980 and particularly also for 1981 is certainly out of line, considering the present situation.

SPIEGEL: In other words, the state is spending too much?

Poehl: Not only the state but also the state. At any rate, the balance-of-payments deficit is also putting limits on the expansion of government outlays.

SPIEGEL: Next year the taxes are to be reduced. Taking into consideration the dramatic change in our foreign trade situation, do you think that a tax cut is still in order?

Poehl: There are certainly good reasons for a tax cut. But as I see it, I have to point out the fact that--if the economy behaves normally--a 1981 budget deficit of the same size as this year's is not compatible with the targeted reduction of the balance of payments deficit.

SPIEGEL: In other words: In your opinion, a tax cut is not advisable and you are recommending instead a reduction of the debt.

Poehl: Reducing the deficits of public corporations--and not only of the federal budget--will remain a priority item. If a tax cut is contemplated in spite of it, reductions in expenditures or additional revenues will have to be considered.

SPIEGEL: If all this does not help, radical cuts might be considered. Last year, Germans spent a considerable part of their income, approximately DM 32 billion, vacationing abroad. Could you imagine that vacation trips may be curtailed?

Poehl: It is such nonsense that I won't even comment on it. There are absolutely no restrictions on the movement of money and capital and there will be no changes in this respect.

SPIEGEL: For the last few months, Mr Poehl, the German mark has not been as robust as it was for a long time, as if legally established. Compared to the dollar, but also compared to a few other European currencies, the German currency seemed rather weak. Are the Germans no longer enjoying the confidence that they can maintain a stable German mark as they were able to do in the past? Is that also already one of the results of the balance-of-payments deficit?

Poehl: I believe that in recent months a number of factors contributed to the relative weakness of the German mark, among them also those mentioned by you. The decisive point, however, was that the policy of extremely high interest rates in the United States led to a stabilization of the dollar, which had to cause a softening of the German mark.

SPIEGEL: There have been other times when interest rates in foreign countries were higher. In recent weeks, however, these interests seemed to be more tempting than ever before. Isn't that a sign of a certain lack of confidence in the German mark?

Poehl: No. It is a sign of confidence in the effectiveness and seriousness of the anti-inflation policy in the United States. This confidence is certainly justified. Since fall of last year, the United States has indeed made a serious effort to fight inflation.

SPIEGEL: In your opinion, what is the real exchange rate for the dollar? Emminger, your predecessor, is assessing the rate at DM 1.70, in accordance with the purchasing power in both countries.

Poehl: I have learned that one should be very careful with exchange rate prognoses. But it is certainly correct that a devaluation of the German mark as against the dollar, something that has been happening during the last few months, is in contradiction to the difference in the inflation rates, which is still considerable.

SPIEGEL: The high exchange rate for the dollar came at an inopportune time for Bonn's politicians, who are facing an election in the fall. It increased the cost of imports and thus accelerated the rate of price increases. In March, the rate of inflation was 5.8 percent. Can we expect price increases of between 7 and 8 percent by the end of the year?

Poehl: I do not expect it.

SPIEGEL: What do you expect?

Poehl: I believe that there is probably no chance of reaching the target of the annual economic report, which estimated that price increases would average no more than 4.5 percent, a figure which is labeled ambitious even in the annual economic report. The rate will probably be somewhat higher, but certainly not 7 or 8 percent.

SPIEGEL: How much?

Poehl: Perhaps in the neighborhood of 5 percent.

SPIEGEL: Mr Poehl, there are clear indications that the United States has been experiencing a severe economic slump following the exorbitant increases in the interest rate. Some Bonn augurs are already pointing to the danger that the FRG may join the slide, that there will again be a worldwide recession, as happened after 1973/74.

Poehl: This danger can indeed not be dismissed altogether. Nevertheless, available figures about the current economic development are rather positive. They seem to indicate that this year's growth of the gross national product may even be higher than 2.5 percent, the figure stated in the annual economic report.

SPIEGEL: Aren't you afraid that your restrictive monetary policy could put a premature end to the economic boom?

Poehl: Naturally, our policy contains certain risks for the economic development, particularly for interest-sensitive areas, for instance, construction. But I believe that we have no other alternative.

SPIEGEL: Is the policy of high interest rates being forced upon us by the United States?

Poehl: If we want to make sure that the German mark will remain a hard currency also in the future, the difference cannot be too great between our interest rate and those of foreign countries. It is another consequence of our changed foreign trade situation. Anyway, experiences of recent years in other countries have underlined the fact that a timely and consistent policy of stability is the best prerequisite for economic growth and a high rate of employment as well.

SPIEGEL: Relatively optimistic prognoses for the next few months cannot cover up the fact that during the coming years things will not be as plentiful as they have been in the past. Higher bills that have to be paid to foreign countries, particularly the oil-producing nations, will force moderation. The other alternative would be inflation. Thus, the Bundesbank and its presidents who are obligated to preserve the monetary value will face difficult times.

Poehl: You may certainly say that during the coming years the monetary policy and especially the policy of note-issuing banks will not grow easier but rather more difficult--among other things, it is caused by the fact that the FRG has gained increasing importance in international monetary policies.

SPIEGEL: Are you also involved in monetary policies for the partners?

Poehl: Decisions which are made by the Bundesbank do not only affect our own economic development but also have repercussions on our partners in the European Monetary System and, in addition, on the world. In other words, with regard to note-issuing bank policies, we have entered a new dimension.

SPIEGEL: You have to show more consideration. Does this lead to consequences for the principles of your policy?

Poehl: In my opinion there should be no changes as to the principal goals of the Bundesbank policy of being concerned about price stability. After all, if everybody makes an effort to keep his own house in order, it is simultaneously the best contribution to a well-functioning international monetary system.

SPIEGEL: Mr Poehl, thank you for this interview.

6991
CSO: 3103

FRG NOT DEPENDENT ON TRADE WITH USSR

DW191156 Duesseldorf HANDELSBLATT in German 19 May 80 p 1

[Unattributed article: "Exports to the Soviet Union: Not at all 'Business as Usual'"]

[Text] HB Duesseldorf, 17/18 May 1980--Following the decision by the National Olympic Committee not to send German athletes to participate in the Olympic games in Moscow, the question will now be discussed increasingly as to whether the economy can cultivate its business with Russia now that sports has been expected to make a political sacrifice. According to information obtained by HANDELSBLATT, the companies participating in trade with the East, too, have largely drawn their conclusions: There is no longer any such thing as "business as usual."

Obviously the foreign trade sector reacts to political tensions directly and without any spectacular recommendations and decisions. Thus in 1979 exports to Iran dropped to DM2.3 billion (1978: DM6.8 billion) because the political risk had become too great. The rest of the business here essentially is to be found in the sectors which are also exempt from the envisaged sanctions against Iran: Foodstuffs and medical supplies.

The Soviet intervention in Afghanistan has a similar effect on Western, and specifically German, exports to the USSR. The change in the political climate leaves no room for new and great enterprising involvements. These are the facts of the business with the East as seen by German industry:

Trade with the Soviet Union should not be overrated as to its economic and political significance. Above all there are no dependencies with respect to employment either through exports to the Soviet Union or through the volume of the imports of energy and raw materials from the USSR. Serious disturbances need not be expected for the German national economy either in the event of restrictions in exports (about 50,000 people are employed in that sector) or in the event of a loss of imports from the Soviet Union; the worst consequences could be conversion difficulties and certain cost increases.

Despite stepped-up detente policy the Federal Republic's trade with the East ran up against limits attributable to the system as early as in 1975. In 1975--in a recession year--German exports reached a volume of DM15.9 billion, including DM6.95 billion to the USSR (43.6 percent). These exports to the East at the time accounted for 1.54 percent of the gross national product. Since then German exports to the East have decreased, among other things because of the high indebtedness of the Eastern countries and their inadequate export offers. It was only in 1979 that export nominally reached the 1975 level again, and with an export volume of DM6.6 billion to the Soviet Union they remained below the 1975 level.

The German exports to the Soviet Union correspond to only 40 percent of the German exports to Switzerland. The German exports to the CEMA countries in 1979 amounted to more than 1 percent of the national product, including exports to the Soviet Union which amounted to just about 0.5 percent.

Measured by the German gross national product, the German exports to the USSR thus involve but a "morsel," which indeed is noteworthy in some sectors but with which, realistically, it is impossible to make politics.

The new orientation of Western trade policy toward the Soviet Union has been initiated. To so-called COCOM list is being revised. During the sixties and seventies Western countries countries--not including the Federal Republic--granted "development credits" to the Soviet Union at rates recuded by the state. There is no longer any room for that today, nor is there any room for state guarantees in the financing of large-scale projects in the Soviet Union with the help of Western credits.

In talks on government and business levels the Soviets have been told plainly all the time that tackling new projects requires the creation of a climate of confidence. And it is up to the Soviet Union to create that climate.

CSO: 3103

MARCHAIS EXPRESSES PCF SOLIDARITY ON MADAGASCAR VISIT

Georges Marchais Press Conference

Paris L'HUMANITE in French 4 Apr 80 p 8

[Press conference by Georges Marchais, PCF secretary general, during visit to Madagascar; date not given; original paragraphing not followed]

[Text] At the conclusion of his visit to Madagascar at the invitation of President Ratsiraka, Georges Marchais first emphasized the great satisfaction felt by all members of the PCF delegation. He then recalled the main stages in that visit.

Georges Marchais said:

I met with the officials of the Front for the Defense of the Revolution on Tuesday during a luncheon which the sponsors themselves had described as a "debate." The fruitful discussion we had together helped us to better understand the meaning of the battle we are engaged in, each under different conditions, against the same imperialism and for independence, democracy, and socialism.

That same evening, during a fraternal meeting sponsored by the AKFM [Congress Party for Malagasy Independence], I delivered a speech in which I dealt in particular with the strategy of imperialism--especially French imperialism--in Africa and the Indian Ocean; the French Communist Party's resolute commitment to action aimed at transforming that part of the world into a zone of peace and making progress on the path to a new worldwide economic and political order; the situation in France; and our concept of better cooperation between Madagascar and France.

Deep Solidarity in Combat

On Wednesday I and my comrades went to Antsiranana, where the Diego Suarez military base used to be. There I had a thorough and cordial talk with the president of the republic. The spirit of that meeting--which was, it goes

without saying, the high point of this visit (to Madagascar)--was summed up in an important joint communique.

Lastly, I have just had an interview with the chairman of the National Assembly.

The contacts, discussions, and exchanges of ideas and experiences have therefore been numerous and highly productive.

As far as the actual content of our stay is concerned, I believe that we can sum it up under three main points.

In the first place, we were bent on expressing to the Malagasy people, their representatives and, very particularly, President Didier Ratsiraka, the deep solidarity in combat that exists on the part of French communists. That solidarity goes far back in history.

The French Communist Party prides itself on being the only French political force that has always resolutely combated the crimes of colonialism.

Today we are following with interest and respect the original socialist experiment which the Malagasy people have undertaken. We are aware of the efforts being made here to free the country of tutelage by the multinationals, to improve the life of the inhabitants, and to develop the economy, decentralize and democratize administrative structures, and strengthen the educational system.

When we return to France, we will make Malagasy reality known to the French workers. We will explain to them the meaning of the battle being waged by the country's leaders and people and the real content of the experiment in socialist development that they are carrying out. We will tell them of the successes achieved through that experiment and of the difficulties being placed in its way. We will stress the need for solidarity with the Malagasy people.

For the French Communist Party, internationalist solidarity is not an empty word. It is a fundamental idea. Experience corroborates that.

Such solidarity is all the more necessary today and throughout the world in that imperialism and its supporters, faced with a deep crisis in their system and experiencing reverses, are trying by every means to oppose the pressure from peoples seeking their social, national, and human emancipation.

Such solidarity means active support for the peoples struggling for their independence, their sovereignty, and the freedom to provide themselves, by the means of their choice, with the social and political system of their choice. It is also the necessary response to the interference and meddling engaged in by imperialism as it seeks to maintain its domination at all costs. I have already had occasion to say that for us French communists, the theme

is this: no exporting of revolution, but also no importing of counterrevolution.

Yes, definitely: all struggling peoples know that they can count on the French Communist Party.

For Great Cooperation Policy

In the second place, we have shown that it is possible to give France an image other than that of a country pursuing Giscard d'Estaing's policy of pressure and of intervention in African affairs.

A great policy for Franco-Malagasy cooperation is not only possible but necessary. For me, the thorough discussion I had with the president confirmed that conviction, which is also ours. Madagascar is prepared for such cooperation. For our part, we intend to continue our effort to see the development between France and Madagascar, in the interest of both peoples and both countries, of friendly and fruitful relations disencumbered of any neocolonialist spirit--relations which respect the indefeasible right of the Malagasy people to determine the path they intend to follow in full independence.

We declare ourselves in favor of economic cooperation based on respect for mutual interests, political dialog aimed at reducing tensions and safeguarding peace, and cultural exchanges that take into account the existence of not just one but two rich national cultures.

Those requirements are part of the struggle for a radical recasting of international economic and political relations and for the establishment of a new international economic order--to which, as the president confirmed to me, Madagascar attaches great importance.

Extensive Agreement

In the third place, our visit and the meeting with President Ratsiraka enabled us to recall how extensively we agree with the Malagasy leaders on the subject of the Indian Ocean. A year ago, during a visit to Reunion, I had the opportunity to explain the position of the French communists on that subject. We refuse to see the Indian Ocean become the theater of operations for dangerous military escalation--to let imperialism strengthen its operation in that region. Our proposals are clear and specific. I will recall them briefly:

1. A ban on stocking nuclear weapons in the region.

2. The dismantling of the foreign military bases that have been established there.

3. Support for the right of peoples in the region to freely manage their own affairs and to see their sovereignty and territorial integrity respected.

4. Restoration of the Glorioso, Juan de Nova, Bassas da India, and Europa islands to Madagascar.

5. Lastly, discussion within the framework of the United Nations aimed at transforming the Indian Ocean into a zone of peace.

Those, briefly stated, are the basic objectives that have been ours during our visit to Madagascar.

> In conclusion, Georges Marchais reiterated his thanks to President Ratsiraka and all his Malagasy hosts and again expressed the great satisfaction he felt at the conclusion of this visit.

Marchais-Ratsiraka Meeting

Paris L'HUMANITE in French 3 Apr 80 p 9

[Article by Robert Lambotte]

[Text] Antananarivo, 2 Apr--Meeting a few kilometers from Antsiranana (formerly Diego Suarez) on the veranda of a modest home roofed with yellow-painted sheet metal, Malagasy President Didier Ratsiraka spoke with Georges Marchais for nearly 2 hours this morning.

Overlooking the Indian Ocean from what was once the officers residence at the French base in Diego Suarez, the two men first discussed the continuation and greater development of relations of cooperation between the French Communist Party and Malagasy leaders.

Cooperation between France and Madagascar--as it is and as one could hope that it would be--occupied an important place in those talks, which took place in the simple atmosphere desired by the Malagasy head of state, as though to better indicate the friendly character of the meeting. But for all that, the importance of the meeting did not escape the observers present. The luncheon provided for the French delegation later by President Didier Ratsiraka and his wife was to confirm that impression.

Georges Marchais then returned to Antananarivo by plane. Tomorrow (Thursday) he is to meet with several Malagasy officials before holding a press conference during the afternoon.

At the close of his talk with President Ratsiraka, Georges Marchais told us: "We had a very long conversation enabling us to discuss many subjects in a very friendly atmosphere. The first impression given by President Ratsiraka is that of a realistic head of state who is naturally well aware of his country's problems and who is committed to an original path for building a socialist society. It is extremely interesting for us to see how a developing country approaches the numerous and complex problems resulting from the colonial heritage.

"President Ratsiraka attached definite importance to the coming of the delegation from the French Communist Party. For several reasons.

"First, President Ratsiraka knows that the French Communist Party is a party that has never spared any pains to support peoples struggling against colonialism. As a consequence, welcoming a delegation from our party's leadership was important in itself.

"But there is not only the past: there is especially the present and the future, and he attached great importance to our visit for a reason that must be given its full weight: it is the willingness of the government of Madagascar and the Malagasy people to develop cooperation with France in all areas.

"What strikes me is the fact that in all the countries that have had to suffer from French colonialism, we find this same willingness--explained by the past and its heritage--to cooperate with our country. Incidentally, that took up a good part of our talks.

"We also devoted considerable time to a discussion of the various aspects of the international situation, notably that which prevails in the Indian Ocean.

"We also discussed the need to establish a new worldwide economic order. I must say that on this question as well, we noted a convergence of views. We were led to emphasize that contrary to widespread opinion, this is a question that does not concern just the developing countries. It is a major and serious international question being posed to all peoples, including the French people, who are aware of the effects of a deep crisis. We considered our future cooperation with a view to bringing out ideas on that problem."

For his part, President Ratsiraka sent these remarks to L'HUMANITE: "I was happy that Georges Marchais was able to make this trip. We are very happy. As regards the French Communist Party, we have our hearts set on having good relations--relations of cooperation--with all the progressive parties.

"You asked me how things stand with cooperation between Madagascar and France. I will tell you that it is not our doing if cooperation does not develop further. We have clearly defined our position: independence, sovereignty, and dignity. From that standpoint--if those conditions are accepted--there is no problem.

"We are now resuming cooperation with France. We hope that those relations of cooperation will develop further in the spirit I have indicated."

In response to the question as to what the French Communist Party can do to make real cooperation between our two countries possible, the president said:

"Be vigilant, because there is more than one kind of cooperation worker, and there is more than one kind of cooperation. Even in the Common Market you can do something. You have members of parliament in the European Assembly.

When, for example, Common Market aid is granted to us for building a road, the enterprises in charge of construction keep leftover materials once the work is done. Those materials were bought with money allocated to us, and they should be turned over to us rather than kept by the enterprises. If those materials, which belong to us by right, had been left with us over the past decade, we would have been able in particular to maintain our roads. What this involves is a whole state of mind, a whole context. That is why it is necessary to be vigilant."

Will the victory by Zimbabwe's patriots bring about any changes in the political situation in the region, notably as regards Madagascar?

President Ratsiraka answered, "We are naturally very happy that the situation turned out this way. We now have a string of progressive countries from the Indian Ocean to the Atlantic. Unfortunately, the problems will not be resolved in the short term, despite that. There will still be problems."

Marchais on Madagascar Relations

Paris L'HUMANITE in French 3 Apr 80 p 9

[Speech by Georges Marchais, PCF secretary general, to members of the Congress Party for Malagasy Independence in Antananarivo on 1 April 1980]

[Text] On Tuesday evening in Antananarivo, Georges Marchais spoke to members of the AKFM (Congress Party for Malagasy Independence). Here is the text of his speech.

Our presence in Madagascar bears witness to the deep solidarity of our party and all French communists with the Malagasy people as they struggle against imperialism and for their economic independence, social progress, and full sovereignty.

That solidarity was sealed in a lengthy joint struggle against imperialism and French colonialism, a struggle in which French communists participated in Madagascar alongside the Malagasy people.

The French Communist Party is proud and honored to be the only French political force that has always fought with determination and without concessions against the crimes and misdeeds of colonialism.

In that struggle, a number of our members were prosecuted. Our newspapers were banned. Our party suffered many attacks, and they are continuing today.

But today as yesterday, nothing and no one will make us give up our solidarity with the peoples of Africa--with the Malagasy people who now find themselves in a new phase of their liberation.

Having been invited to Madagascar by President Ratsiraka, it is good that I should take advantage of this short visit to greet our comrades in the AKFM, with whom the French communists have traditional and close ties.

Allow me very particularly to address a warm greeting to your chairman, Richard Andriamanjato, to Gisele Rabesahala, to Arsene Ratsifehera and, through them, to the leadership and all the members and friends of the AKFM: to all those militants for freedom who are committed to this great battle for the real independence and development of their country.

In the course of long years of joint struggle against imperialism, the same demand for justice and a shared attachment to the emancipation of their people have woven between our two parties fraternal relations whose depth we can still measure this evening.

Making the Indian Ocean a Zone of Peace

Since nearly 5 years ago, when more than 90 percent of the Malagasy voters approved the "charter of the socialist revolution," the Malagasy people have been continuing an original experiment in socialist development, one that we are following with favor. We are delighted at the successes achieved along this path.

We came here to demonstrate our support for your liberation struggle and also to become acquainted with the specific details of the path you have chosen. It is a courageous path and a difficult path along which imperialism is placing more and more obstacles.

This bad temper on the part of imperialism is understandable. While the success of your socialist experiment is important primarily for the Malagasy people, it is also important for Africa. It is important for all peoples who want to free themselves of the exploitation of man by man.

That is why imperialism threatens Madagascar, which it is trying to destabilize. That is why it is beefing up its aggressive military presence in the Indian Ocean.

That is why the United States has built a powerful naval airbase in the Chagos Archipelago of Mauritius--the base at Diego Garcia--capable of handling strategic bombers and submarines carrying Polaris or Poseidon missiles. That base can serve as a port of call for the future U.S. Fifth Fleet, whose first components are already in the Indian Ocean.

President Carter, who took the initiative of setting up a 100,000-man force of aggression which he intends to send to any point on the globe where a people is struggling for its liberation and independence, is now looking for military bases on the African and Arab coasts.

Because it had to accommodate foreign bases on its soil, Madagascar knows what a serious threat those demands by the U.S. President represent.

For its part, French imperialism is not lagging behind. It maintains military bases in Djibouti, Reunion, and Mayotte. In the Mozambique Channel, the Malagasy islands of Europa, Bassas da India, Juan de Nova, and Glorioso--wrongfully occupied by France--are bristling with French military surveillance equipment.

Our party declares itself firmly in favor of returning those islands to Madagascar without delay, in accordance with the decisions by the United Nations and the OAU.

We condemn the attitude of the French Government, which thus alines itself, not only in the Indian Ocean but also elsewhere, with Carter's policy.

In this context, the proposal included in the UN resolutions and advanced on several occasions by President Ratsiraka, which calls for making "the Indian Ocean a zone of peace," has our total support. We also adopt as our own the demands in the resolution by the "first conference of parties and organizations of islands in the Southwest Indian Ocean."

In agreement with that resolution, we French communists are demanding the dismantling of the naval airbase at Diego Garcia and the return to Mauritius of the Chagos Archipelago.

We are demanding evacuation of the French troops which have been withdrawn from other places and are now concentrated massively on Reunion. Those troops constitute a permanent threat not only to the people's struggles on Reunion but also to the security of the neighboring islands, none of which threatens Reunion.

We are demanding a gradual and simultaneous reduction in fleets and air forces belonging to powers that do not border on the Indian Ocean.

Finally, we are demanding a ban on the introduction and stockpiling of nuclear weapons in the Indian Ocean and its coastal states.

We propose that discussions be held within the framework of the United Nations for the purpose of declaring the Indian Ocean a zone of peace. This involves, first of all, a gradual and simultaneous reduction in armed forces and weapons in the Indian Ocean and on its shores. In the second place, it involves a ban on certain weapons and the guarantee of passage in the straits giving access to the Indian Ocean.

France should not only participate in such discussions but even initiate them, seeing that it is so thoroughly implicated in the tension that prevails in th Indian Ocean.

For a New Worldwide Economic and Political Order

Such a path to peace and friendship among peoples--the path of reason--is unfortunately not the path that the French Government has chosen to follow.

By extending the territorial waters surrounding French possessions--including scattered islands--to the 200-mile limit, the French Government has, in effect, taken options on the animal, vegetable, and mineral wealth to be found in the Indian Ocean.

More generally, its action is closely tied to the general strategy of imperialism, which favors the activities of the multinational firms, is trying to export its economic difficulties to the peoples of formerly colonized countries, and displays brutality in international relations.

Contrary to that policy, which is thoroughly harmful and thoroughly contrary to the interests of France and those of the peoples, we communists support a real policy of cooperation with the countries that have ties with France as a result of history.

Cooperation is a requirement of our era. We view that cooperation as necessarily corresponding to the requirement for more just and more stable economic relations between states--that is, for a new worldwide economic and political order.

In this there exists a vast field for reflection and action aimed at transforming this unjust, immoral, and inhumane world of colonialism and imperialism in which capitalism holds humanity.

In recent years the issue of raw materials has been posed forcefully by the producing countries. It is the object of a great economic battle on an international scale. It is also the stake in an intense political and ideological struggle in which our party, the French Communist Party, has taken a clear position. Our party supports the legitimate demands by the Third-World countries concerning control of their natural resources and their determination to obtain a fair price for those resources.

This is a demand by the peoples. At the same time, it is a moral requirement for all humanity. It is not possible to permit a billion women and men to continue living, as they now do, below the absolute poverty line. It is not possible to permit 50 million human beings to die, as they did last year, for lack of food. That world--the so-called "free world"--must be changed. The French Communist Party, at the side of the progressive and revolutionary forces of the world, is devoted to that objective.

Imperialism and Colonialism in Retreat

The capitalists would like to set the workers of the industrialized world against the peoples of the developing countries. They will not succeed. Too many things bind the peoples of the world together. The feeling of community against the same exploiter--the same imperialism--is too strong between the French workers and the peoples of Africa.

The French communists and the working class of France are participants in the universal movement for the liberation of peoples, a movement that already has

enabled several peoples to build a socialist society and others, even more numerous, to begin following that path.

Today the socialist countries constitute a force that imperialism must take into account when it has aggressive intentions. To mention only Africa, for example, imperialism was forced to retreat in Angola before the Angolan people, who were helped by Cuba and other socialist countries.

The nonalined countries form a vast movement. It is complex, to be sure, but in its essentials it is challenging imperialism's undivided domination of the world and calling for that new international order for which we are also struggling. As I said at our party's 23rd congress in May of last year, "the general approach of the nonalined countries converges with that of our party."

At the last summit meeting of nonalined countries, which was held in Havana, Madagascar spoke through President Didier Ratsiraka to play a major role in making that meeting an important moment in the struggle by peoples against imperialism and for their independence and sovereignty.

As President Ratsiraka said in Havana, "the current crisis is structural; it is the crisis of imperialism and capitalism.... Since capitalism has reached its highest stage--imperialism--it is no longer the proletariat of all countries that must unite, but all proletarians and all oppressed nations. That is why the chief contradiction has become that which sets the forces of capitalism and the forces of socialism against each other on a worldwide scale, but also that which sets the capital of the imperialist centers and the dominated and exploited peoples of the periphery against each other."

We are convinced that if they are united, all the components of the progressive and revolutionary movement can make imperialism retreat and halt its deadly reach. After Cuba, there is the example of Nicaragua at the doorstep of the imperialist world's leader, and after Angola, there is the example of Zimbabwe on the borders of the racist regime in Pretoria. Those examples prove what I am saying.

Throughout the world today, the emancipation of peoples is advancing, and imperialism and colonialism are retreating. The successes achieved by Madagascar in building a socialist society--despite the difficulties and obstacles of all kinds--are witnesses to that.

For Friendly and Fraternal Relations Between France and Madagascar

Georges Marchais then rapidly summarized the situation in France. He then concluded by saying:

As I recalled at the beginning of my speech, solidarity in struggle between our two peoples is of long standing. The French Communist Party has established with the progressive and democratic forces of Madagascar close ties

which we want to strengthen even further, and we must do so. That is one of the basic reasons for our delegation's visit to your country.

We want friendly and fraternal relations to develop between France and Madagascar with no suggestion of a neocolonialist spirit or of any ideas of pressure concerning the free determination by the Malagasy people as to the path they intend to follow in complete independence.

We declare ourselves in favor of economic cooperation based on respect for mutual interest, political dialog aimed at reducing tensions and safeguarding peace, and cultural exchanges that take into account the existence of not one but two rich national cultures.

In this connection, we unequivocally declare ourselves in favor of restoring to the African peoples the cultural monuments which belong to them and which were stolen from them in the course of decades and even centuries of colonialism.

When we return to France, we will make Malagasy reality known to the French workers. We will explain to them the meaning of your struggle and describe your experiment in socialist development, the successes it is achieving and the difficulties being placed in its way, and the need for solidarity with the Malagasy people.

Be assured that the communists and the French workers will always be at your side, it being so true that we are taking part together in the same fight for liberation and the same struggle against injustice, exploitation, and misery.

On behalf of all the members of our delegation, I thank President Didier Ratsiraka, the government, the progressive political forces, and the people of Madagascar for the warm welcome we have received. Rest assured that we will not forget it.

Long live the Malagasy socialist revolution!

Long live solidarity among all the progressive and anti-imperialist forces of the entire world!

Long live solidarity between the French Communist Party and the AKFM!

Long live solidarity between the French Communist Party and the democratic forces of Madagascar!

Long live friendship between the French people and the Malagasy people!

11798
CSO: 3100

QUANTITY, QUALITY OF OFFICER RECRUITS SEEN DETERIORATING

Paris LE MONDE in French 16 Apr 80 p 13

[Text] "The Saint-Cyr ESM [Military Academy] recruiting system is now showing signs of serious deterioration," according to Col Xavier de Premare, head of forecasting at the Headquarters for Ground Forces Schools, in the most recent issue of CASOAR[1], the quarterly magazine published by the Association of Students and Alumni of the Saint-Cyr ESM.

Recalling that 186 students should normally be admitted each year to the ESM, Colonel de Premare points out that the total number of candidates (700-800) is providing "too mediocre a degree of selectivity for a top school." "The high number of dropouts among those admitted to the sciences[2] for the Naval Academy and the Air Academy is deeply disturbing, and is compelling the academy authorities to not only draw on the supplementary list of science candidates but also, to a certain extent, to make up the science and economics shortages from humanities candidacies."

"Despite these palliatives, and to maintain the qualitative level of the competitive examinations," writes the field-grade staff officer, "we were unable to 'fill up' in 1978 and 1979 (the shortage of Saint-Cyr cadets had to be made up by students from the EMIA [Interservices Military Academy] and the ORSA [Reserve Officers on Active Duty under Contract])." The EMIA trains officer candidates drawn from the Ground Forces Noncommissioned Officer Corps, and the ORSA consists of reserve officers who have completed their obligatory term of service and have signed up for additional service under contract.

---

1) CASOAR, No. 77; 6, Avenue Sully-Prud'homme, 75005 Paris. 12 francs.

2) Editor's note: The Saint-Cyr competitive entrance examinations offer three options: humanities (90 admissions), sciences (90 admissions), and and economic sciences (10 admissions).

"There is therefore a quantitative drop in direct recruitment and hence a qualitative one," says Colonel de Premare.

The author of the CASOAR article adds, "85 percent of Saint-Cyr's direct recruitment comes from the "corniches" [military classes preparing students for admission to Saint-Cyr], and 55 percent among these are sons of military personnel. Recruitment is therefore not sufficiently distributed over our nation's other social categories."

Nevertheless, Colonel Premare sees reason to be hopeful. "It is encouraging," he writes, "to note the high percentage of reserve cadets (almost 20 percent in the infantry alone) who discover the army during their compulsory national service and, upon its completion, request additional service either as an ORSA or to earn a regular commission by way of the EMIA."

The staff officer writes, by way of conclusion, that he is inclined "to view the situation with confidence but also realistically." "There is a shortage of ESM candidates, and their recruitment from now too one-sidedly military sources could in the long run develop into a "ghetto" situation (...). The matter of recruitment of our Saint-Cyr candidates is of pressing concern to us. The future of our army is at stake."

9399
CSO: 3100

EFFECTS OF REDUCED GAS SUPPLY FROM ALGERIA DISCUSSED

Paris L'USINE NOUVELLE in French 24 Apr 80 p 82

[Article by Blaise Orelli]

[Text] Above and beyond the technical reasons for the halt in deliveries to France, the matter of aligning the price of gas with that of petroleum has arisen. But even if France and Algeria allow themselves to cross swords the two partners have too much need for each other not to reach an agreement quickly.

Since the beginning of the month Algeria has delivered practically no gas to France. Officially, the halt in deliveries is the result of technical problems which occurred in the natural gas liquefaction plants at Skikda and Arzew and absolutely not intended to apply pressure upon the GdF [French Gas Company] to compel it to agree to the doubled price for gas demanded by the Algerians.

Of the two Algerian plants which normally supply the GdF, one (the Camel at Arzew) has been shut down since the beginning of March and the other (the GL IK at Skikda) is operating at only a third of its capacity, the Algerian national company, SONATRACH [National Company for Transport and Marketing of Oil and Gas], having decided to shut down two of the plant's three "lines" at the end of March. In both cases the reason given was the need to effect repairs.

However, that explanation does not satisfy everyone. Although there are always repairs to be made and periodic shutdowns for maintenance no known reason justified shutting down so many units at the same time.

The third Algerian Gas liquefaction plant, the GNL 1, which supplies the American El Paso firm, was also shut down for "maintenance" last 12 April.

Be that as it may, what is certain is that, since the end of 1979, Algeria has been engaged, with all the purchases of its gas, the GdF included, in negotiations for effecting re of the selling price of its gas so as to align it with the selling price of Algerian crude oil on the basis of caloric equivalents. Thus it was on 1 January 1980 that Algeria demanded, for its

gas, a price of $6.11 per million BTU [British Thermal Units], corresponding to the price of $34.21 per barrel of Algerian crude, effective that date; this $6.11 price represents, for the GdF, more than double the price paid in December. No agreement at all upon this basis has yet been reached with a single customer.

The reduced quantities delivered since the beginning of the year have been invoiced by SONATRACH at a unilaterally determined price and GdF has been paying a different price, unilaterally fixed by it at $3.10 per million BTU. And this will continue until settled by litigation. A meeting held in Algiers on 16-17 April had not yet provided a solution. However, agreement should come about in a more or less short time (six OPEC countries which are gas producers are discussing it at Algiers) because it is in the interest of both parties. And for France above all.

For the time being the almost complete stoppage of Algerian liquefied natural gas deliveries has not had very significant consequences in France. The GdF has had to do no more than discontinue its deliveries to its "interruptable" industrial customers, that is, those who use either gas or oil and who, roughly speaking, consume an amount of gas equivalant to the Algerian deliveries. This occasions higher costs, especially for the chemical firms. In addition, we are arriving at a time of year when the demand for energy slackens for climatic reasons.

But the situation could be disturbing if it is prolonged. For the Algeria's part of the French gas supply is to increase from 12.4 percent in 1979 to 25 percent in 1985, or in volume, from 34.3 billion kilowatt-hours to 104 billion. This increase was to start at the end of 1980, and particularly beginning in 1981, with the entry into service of the GNL 2 liquefaction plant at Arzew which, in steady state operation should provide deliveries of 60.5 billion kilowatt hours additional to the GdF annually. Inauguration of the new liquefied gas terminal at Montoir-de-Bretagne, intended to receive the gas produced by the GNL 2, is still planned for next autumn.

Over the short term the GdF has no available replacement solution, unless it be the elemination of "interruptable" customers and to demand an increase in deliveries of Netherlands gas as its contract permits it to do. The "holes" in the suppliers may then be aggravated. It would also be necessary to find new sources of supply for the installations at Montoir-de-Bretagne and for the liquefied gas tankers planned for transport of Algerian liquefied natural gas, so as to amortize their cost.

Currency Receipts Necessary for Development

For its part Algeria cannot deprive itself of the currency which its sales of liquified natural gas provides for too long a time.

Exports of natural gas, even if they are to be reduced in comparison with original plans, are necessary for Algeria in order to make profitable the investments it has already committed in the sector and they remain, especially

after the reduction in petroleum production decided for purposes of conservation, the best way for this country to finance its economic development.

As far as price level is concerned it was logical that Algeria demand revision of the price for its gas to the extent that other producers, such as Abu Dhabi, Mexico, and Canada, have recently obtained increases in order to close the gap, which opened in the last few months, between the price for crude and that for gas.

Starting with $6.11, the Algerians are now said to be asking no more than $5.00 and the GdF, which had decided to pay $3.00 as of 1 January, is now offering $3.50. Agreement may be reached at about $4.25.

Industry - the Leading Consumer of Gas
French consumption by sectors (in %)

	1978	1980	1985
Iron and steel	8.3	7.4	6.1
Industrial	39.2	39.3	41.9
Residential and tertiary	45.6	45.5	46.2
Electric power plants	6.9	7.8	5.8
Total	100	100	100
Natural gas portion	95.3	98.8	100

Source: Ministry of Industry

11706
CSO: 3100

INCREASED OIL PURCHASES FROM VENEZUELA PLANNED

Paris L'USINE NOUVELLE in French 24 Apr 80 p 83

[Article by Claude Goudier]

[Text] In order better to diversify its petroleum supply sources France is going to increase its purchases of crude from Venezuela and, above all, participate in exploitation of the fabulous Orinoco deposits. This is a huge industrial wager because this petroleum is difficult to extract and to refine.

In 10 years not only will petroleum probably not represent more than 30 percent of our primary energy consumption but its source will no longer be the same as it was before the 1973 crisis. Certainly the part supplied from the Near East will still be very large but that of producers in other regions of the globe will be greatly increased, as one is led to believe by the terms of the agreement between Venezuela and France which has just been signed following the visit of the Venezuelan president, Louis Herrera Campins.

This petroleum framework agreement includes two principal chapters:

The first, assures supply over the medium term with the decision by France to double its purchases of Venezuelan crude, starting in 1982-1983, by bringing them to about 2.25 million tons. At present this petroleum represents only 0.7 percent of our supply. Let it be said that involved here is a conventional crude, but nevertheless one which is rather heavy, that is, it requires special refining; and

The second, and by far the more important, deals with exploitation over the long term of the very heavy crudes which this country possesses in substantial quantities. It confirms in fact see L'USINE NOUVELLE, No 11, p 65) that the French technology developed for refining such very heavy crudes has been adopted by the Venezuelan public authorities.

Fabulous Deposit Unlike Any Other

An agreement to this effect between the French Petroleum Institute (IFP), which possesses the technology, and the Centre for Petroleum Research and

Development of Venzuela (INTEVEP) has been signed, to install a complete industrial process enabling the fabulous deposits of the Orinoco Valley to be exploited.

These deposits are unlike any others. In size! They extend over a width of 60 kilometers all along the 600-kilometer length of the Orinoco Valley, from the Atlantic Ocean to the Colombian border, that is, approximately 36,000 square kilometers. Next, in their very heterogeneous composition. Almost at the surface of the earth is found a thick stratum of petroleum bearing sand (between 20 and 40 meters), the same as that which has been exploited for a year at the Athabasca field in Canada; then, between 600 and 1,000 meters deep extremely viscous petroleum strata are encountered.

Reserves are gigantic. They vary between 100 and 300 billion tons, figures which must be contrasted with the proven reserves of conventional petroleum, which amount to 90 billion tons, to which must be added the some 260 billion tons of potential reserves which is the amount of conventional petroleum which still remains to be discovered.

As can be seen, it was a great pity that France could not participate industrially in exploitation of the Orinoco Valley. Here is petroleum which, about the years 1990-1995, would presumably be of great use to us. Especially so, since we are not the only ones in the ranks.

Even though the Americans, who established the Venezuelan petroleum industry, have been evicted - their subsidiaries having been nationalized in 1975 - their technology remains. Thus, the Venezuelan petroleum company, Lagoven (formerly an Exxon subsidiary) possesses a well proven technology for extracting these very heavy crudes and eliminating the impurities they contain (sulfur, and particularly metals such as vanadium and nickel).

Pilot Plant for Refining at Feyzin

Several solutions for this operation exist: either steam or natural gasoline can be injected to dilute this petroleum and cause it to rise to the surface.

Next, it must be refined. The IFP has found a solution which will be tried experimentally in a pilot unit of 20,000 tons annual capacity, which will be placed into service in about 2 years at the Feyzin refinery of Elf-Aquitaine.

After that, the scale must be changed to an industrial one. Therefore, there must be investment. It is not out of the question to believe that a special "very heavy crude" refining unit, if it becomes necessary, will be built at Donges by Elf-Aquitaine.

[Key to Map]

1. Reserves of more than 100 billion tons
2. Caribbean Sea
3. Orinoco petroleum field
4. Colombia
5. Orinoco
6. Brazil
7. petroleum exploitation area
8. petroleum bearing sands

11706
CSO: 3100

SOURCES OF WEAPONS FOR TERRORISTS EXAMINED

Paris LE FIGARO in French 21 Apr 80 p 10

[Article by Jean-Charles Reix]

[Text] Four kilograms of TNT [Trinitrotoluene] in dynamite sticks [as published, but technically incorrect. Dynamite is based upon nitroglycerine and not upon TNT]; eight kilograms of plastic explosive; some grenades.... The chance discovery on Saturday by railway employees in the small stations at Saint-Die and Luneville has attracted attention. "What if German terrorists taking refuge in France or else their French counterparts thus have available--from railroad baggage rooms to Airport baggage rooms--of a stock of war materiel, of a widespread arsenal?" the police are wondering.

The eastern part of France, the Alsace-Lorraine region, a great center of European communication and trade, constitutes a place of easy passage for clandestine elements, and also for their weapons and equipment. Again on Saturday the Strasbourg customs service revealed a large organized traffic in guns among Algeria, Spain, France, and the Federal Republic of Germany by 10 North Africans. An original system: the traffickers arrive in the east [of France] with hashhish, sell it, and use the money to buy guns....

The network of French smugglers organized by the "underworld" does not deal in exchanges but substitutes, by means of the same channels, one traffic for the other. There, where drugs, stolen works of art, and counterfeit money passes, weapons can pass in separated parts.

"European terrorists are sometimes customers of these networks. Dealings with shady characters have been turned up on the occasions of various affairs," a polic officer assures us. "We know, for example, that members of the GARI (Autonomous International Revolutionary Group), associated with members of the Italian Red Brigades, had recourse to gangsters to arm themselves before attacking the post office at Conde-sur-Escout in the Department of Nord several [illegible].

"These evil associations have destroyed them, inicidentally. Because we know the gangsters better than the political militants."

Where do the weapons for these political militants come from? Certain partisans of armed subversions are directly supplied by countries which support their causes. The weapons sometimes enter France by the diplomatic route. But more often by means of chains of sympathizers.

The other large sources of weapons are those which all "armies of the shadows" have always used. Some western governments are unknowingly delivering weapons to violent groups by continuing to supply the international market amply.

All the large countries--France exports 25 billion francs worth--sell weapons. Czechoslovakia and Poland are outstanding in copying and delivering all types of equipment of the Warsaw Pact armed forces. Stocks from the last wars or terminated guerilla activities are also used.

Thefts from armories and pilfering at military depots are also used by terrorists. The members of the "Baader Gang" stole a stock of grenades and rockets from an American army depot in Frankfurt. On 25 May 1979 large quantities of rifles and explosives disappeared from a NATO base in Norway. Thirty thousand cartridges were stolen from the barracks at Reims on 30 August 1979.

Manufacturers are also being hit. In December 1979 the Thomson-Brandt Company's plant at La Ferte-Saint Aubin received a strange visit. Rockets intended for the Air Force were stolen. Also, it is said that at Herstal, in Belgium, 20 weapons and 20,000 cartridges are "lost" every day.

And then, the private arsenals must not be forgotten. A 40-year old resident of Marseille, a former officer, holds a record of sorts. At his house the police found, oiled and well stored, 30 military rifles, 10 machine pistols, 50 bayonets, 80 kilograms of munitions, helmets, and fatigue uniforms. With this the complement of an assault section could be equipped and armed.

11706
CSO: 3100

RESPONSIBILITIES OF AIRBORNE OPERATIONS UNIT OUTLINED

Paris TERRE INFORMATION in French Apr 80 p 8

[Text] An inter-armed forces formation of about 600 officers, non-commissioned officers, and paratroopers, the Airborne Mobile Operational Base (BOMAP) is among the EOD [expansion unknown] of the 11th DP [Parachute Division].

Established relatively recently, the BOMAP is heir to the traditions of the North and South Airborne Bases of the Far East and North Africa.

It was established in 1963 at the BA [air base] 101 at Toulouse-Francazal, headquarters of military air transport.

Its installation at that base was effected in two stages:

--in 1966 with the construction of technical buildings intended for performance of its mission; and

--in 1980 with accommodation in a complete barracks, built around the technical buildings, and inaugurated on 30 January by the chief of staff of the ground forces.

The BOMAP provides technical support for airborne activities (operations and training) of the 11th DP and other formations. This mission represents varied responsibilities.

Foreign Operations:

--Keeping on the alert a detachment with personnel and equipment capable of making air drops of all or part of an element of immediate intervention;

--participating in establishment and operation of a supply depot within an inter-armed forces operations base;

--furnishing, on demand, elements for use in operations in progress: the BOMAP maintains detachments of variable composition overseas for the benefit of foreign operations. At Beirut it is also responsible for air and maritime transport of the FINUL [United Nations Intervention Force in Lebanon];

--maintaining the equipment necessary for air drops of a part of the supplies (munitions, fuel, food, batteries, and so forth) devoted to support of units engaged overseas; and

--in France, assuming responsibility for air embarkation and debarkation of units of the 11th DP taking place at airports within the division's deployment zone.

Engagement in Central European Theater in Support of the 1st Army:

--establishing an air transported operations base (OAP) responsible for landing, either by air drops or air attack, formations of the division, and then supplying them by air; and

--participating, in accordance with directives of Logistics Command No 1, in executing a supply plan.

Airborne Training of the 11th DP:

--the BOMAP attends monthly meetings, called "credits aeriens" [untranslatable phrase] at which future activities are planned, 2 months in advance, and at meetings for purposes of perfecting methods of the OAP;

--the BOMAP provides technical support for carrying out airborne activities;

--it administers, folds, and maintains the automatic or [manually] controlled parachute sets;

--it checks the units, inspects their personnel squads, on the ground and in the air, launches them and recovers the parachutes in the jump areas;

--it packs and drops equipment during deliveries by air; and

--it instructs personnel of the 11th DP's formations in loading and unloading vehicles and heavy weapons for attack readiness.

In close cooperation with the operations center and air transport squadrons:

--the BOMAP is the preferred technical intermediary between the regiments of the 11th DP and the COTAM [? Tactical Naval Air Arm Operations Center], especially for emplacement and utilization of aircraft upon engaged flight decks;

--it particiaptes in instructing pilots and squad leaders of the COTAM; and

--last, it provides technical support for formations external to the 11th DP by providing parachutes and associated equipment to certain special formations (Naval Marine-Commando Group and National Center for Commando Training at Montlouis (military paratrooper preparation...) and in training [parachute] folders for some of those formations.

The commanding officer of the BOMAP has under him:

--a general staff, including, in particular, an operations bureau;

--a service company;

--a technical company (consisting of personnel from the infantry and the materiel corps), responsible for everything connected with air drop of personnel; and

--an air delivery squadron (consisting of personnel from the service and infantry crops), responsible for landing equipment.

--More than 40,000 TAP [expansion unknown] articles are thus administered and maintained.

In the course of the last few years the BOMAP has fulfilled, on annual average, the following functions:

--folded 100,000 parachutes;

--has been responsible for 96,000 paratrooper drops of the 11th DP; and

--has dropped 600 tons of equipment.

The BOMAP is seen to be a proven technical unit, frequently playing its part, and constantly doing truly important work. A key formation in the operation of the 11th DP, it requires of its personnel seriousness, availability, and great technical competence.

11706
CSO: 3100

INTERVENTION FORCE AIRBORNE COMMAND POST TESTED

Paris LE MONDE in French 27-28 Apr 80 p 9

[Text] Three thousand men of the airborne specialists group of the 11th Parachute Division took part, for 5 days in the Poitou-Charentes region, in the Fregate 80 maneuver intended to test the capability of the inter-armed forces specialists to evacuate French nationals held prisoners in a foreign country.

Playing the part of the nationals were 200 pupils of the military schools at Rochefort-sur-Mer, department of Charente-Maritime. Placed aboard Super-Frelon helicopters, these "hostages" were gathered in the Charente back country under the protection of paratroopers and they were then put upon a beach on the island of Oleron, to meet a warship anchored in the open sea, under guard by Marine-commandos of the Navy.

For the first time there was tested the operation of an airborne command post installed aboard a Transall aircraft capable, with its new long distance transmitters, of remaining in continuous and certain contact with the Armed Forces Operations Center (COA), underground beneath the Ministry of Defense in Paris. The Transall thus relays communications from the French ambassador in the country concerned and the command of the intervention force sent to the rescue.

Such a system proved necessary after the operation of the 2nd Foreign Parachute Regiment on Kolwezien May 1978, during which those in charge of the Bonite operation had to make use of American telecommunications satellites whose channels, leased by France, enabled messages to be retransmitted to Paris.

11706
CSO: 3100

GOVERNMENT BLAMED FOR MINING FAILURES

Athens HELLENEWS EXPRESS in English 24 Apr 80 pp 4-5

[Text] The Association of Mining Enterprises voiced its opinion on current Government mining policy in no uncertain terms, on the occasion of its latest general meeting of members. The Chairman, Mr. A. Athanassiades, said "a clear-cut, rational and effective mining policy--totally absent at the present moment--will have to be laid down so that it may inspire confidence among private mining concerns. Instead, there is a continuation of the negative and questioning attitude towards the private sector of the country's mining economy and its role is downgraded if not entirely ignored." Mr. Athanassiades went on to comment on the position of Greek mining concerns after Greece will have gained full accession to the EEC. He said: "Greek mining concerns must retain their national character and this can be achieved only if the private sector in mining is safeguarded by a strengthening of its economic position. As long as the State persists in obstructing the private sector, this cannot come about."

The Association put forward the idea of joint mining enterprises with the State and quoted uranium as an example. The point was made that, if private enterprise was allowed a hand in prospecting for this precious metal and in the exploitation of any deposits found, quicker results would follow.

The Association underlined that the State had, so far, failed to compile a register of mineral prospecting and research carried out to-date while, at the same time, there was a lack of research on mining infrastructure.

Absence of clearly demarkated mining areas meant parallel absence of systematic infrastructure works and provoked clashes between mining and tourist development programmes. Another result of lack of infrastructure was the creation of exploitation problems and of integration of mineral production. Mining laws in Greece, it was maintained, end up as a deterrent to mineral development and had completely failed to keep pace with the times.

CSO: 4920

DISPUTE OVER ROYALTIES, PATENT RIGHTS REPORTED

Athens HELLENEWS EXPRESS in English 24 Apr 80 p 5

[Text] The Piraeus Chamber of Commerce and Industry has taken the Ministry of Industry to task over the question of royalties and patent rights which Greek manufacturers require from technologically advanced suppliers abroad. The Ministry had issued new rules on the subject about six weeks ago (refer to Item 6 in HELLENEWS 1177 of March 6th, 1980). These made it compulsory for those who were negotiating the purchase of patent rights, etc., involving payment of a royalty in foreign currency, to submit the terms of any such proposed agreement to the Ministry and to assume firm obligations only after receipt of the Ministry's approval.

The Chamber points out that such a procedure cannot work out in practice because the need for prior approval of a proposed agreement will almost inevitably mean a considerable time lag during which all kinds of changes may occur. Under existing trading conditions, few if any foreign firms of repute would be willing to extend lengthy options for the sale of technology and other patent rights in order to await the leisure of some authority to approve the terms of a draft agreement.

Apart from the time factor, the Chamber points out that the object of such negotiations and transactions between private concerns is usually of a confidential nature and is not open to interference by third parties. The Chamber suggests as an alternative that the Ministry should assume the initiative and lay down a clear framework of general rules within which Greek private firms may be free to negotiate and contract for technology, patent rights, etc. from foreign suppliers. If this is not done and the present ruling for prior approval of draft agreements remains effective, the Chamber maintains that Greek firms will cease to be able to acquire advanced technology and patents with which to improve their present productive performance or to engage in the manufacture of entirely new products.

CSO: 4920

BRIEFS

FUTURE ROAD TRANSPORTATION PROBLEMS--The Hellenic Confederation of Professional Motorists has completed a study of EEC regulations on transportation. As regards road haulage, the Confederation has drawn the conclusion that existing Greek law on this subject and the country's geographic position will place a handicap upon Greek operators. Geographically, two non-EEC countries (Jugoslavia and Austria) lie astride the road link between Greece and the main European consuming centres. For this reason, Greek operators will be prevented from taking full advantage of certain EEC privileges such as liberalization of road transportation, which is to apply in several instances. Where EEC permits are concerned, these can prove beneficial only if corresponding transit permits are issued by the above mentioned intervening countries. The Confederation is urging the competent Greek authority to take the matter up in good time. [Text] [Athens HELLENEWS EXPRESS in English 24 Apr 80 p 6]

PRICE CONTROL BY COMPUTER--The Ministry of Trade has invested in a Drs 55 million computer and is taking on a staff of about 300 to handle it for price control purposes. The machine has already undergone trials. The idea is that, when the voluntary price freeze agreed between the Government and the business world expires on the 16th of June next, the computer will go into operation, having recorded present cost and selling prices of a wide range of goods. It could then serve as a check on the future movement of prices under whatever status for price regulation is devised for the second half-year. [Text] [Athens HELLENEWS EXPRESS in English 24 Apr 80 p 6]

SFIKIA HYDROELECTRIC PROJECT--The Public Power Corporation is to install three turbine pumps at the Sfikia new hydro-electric power station, still under construction, which will pump water back from Lake Asomaton into the Sfikia reservoir, during non-peak hours when the station is not generating energy for the grid. The equipment, worth $38 million, plus Drs 1,917,000,000, is being ordered from G.I.E. of Italy, according to a contract signed on the 17th of this month. Mr. Moses, Governor of the PPC used that occasion to say that, from 1983 onwards, one or two new hydro-electric power plants would be added to Greece's power grid every year. This forms part of the overall plan to build up the proportion of

non-oilburning new power stations that are to be built for the next twenty years. [Text] [Athens HELLENEWS EXPRESS in English 24 Apr 80 p 6]

CITY GARBAGE PROBLEM--A preliminary study on commercial exploitation of city refuse, undertaken jointly by the Public Power Corporation and the Athens Municipality, had drawn the conclusion that, it would not prove a paying proposition. Feelers put out among Greek and foreign firms connected with this line of activity have drawn the reply that the present composition of the average Athens city garbage collected is such as to offer insufficient chances of recovery of raw materials to make it commercially viable. The same goes for that aspect of the matter as concerns part use of such garbage as fuel for raising steam for the PPC. The matter is being followed up personally by Mr. Moses, Governor of the PPC, and may receive further consideration less from the angle of a commercially viable venture as from that of reducing environmental pollution from the various open-air dumps where the city's garbage is presently being deposited.

CSO: 4920

PCI'S PAJETTA ON PARIS CP MEETING, CHINA TRIP

Hamburg DER SPIEGEL in German 5 May 80 pp 142-145

[Interview with Giancarlo Pajetta, PCI Executive Committee member, by Michael Haller and Bernhard Mueller-Huelsebusch]

[Text] SPIEGEL: Mr Pajetta, last week the conference of the European communist parties took place in Paris. Why did not your party, the strongest communist party in the West, take part in this?

Pajetta: Because we did not want to let ourselves be put in any shackles.

SPIEGEL: The conference did have, in fact, the look of a propaganda event for the Soviets. What then displeases you about the Soviet disarmament campaign? After all, you too have objected strongly to the arms build-up of NATO.

Pajetta: Quite generally, we consider it absurd when the disarmament question is discussed by unequal partners. In the nations of the Warsaw Pact, the communists are in power and have missiles at their disposal. But we here in the West are in the opposition, and we have no control over any missiles. At the Paris conference, the PCI would have had to identify itself with the policy of the missile possessors, the governing parties of the Warsaw Pact. And that is not at all our own policy.

SPIEGEL: But surely you would have been able to talk about that at the conference. You would have been able to repeat there that you disapprove of the Soviet invasion of Afghanistan, that you reject the old ideology of blocs, and that you aspire to a neutral Europe.

Pajetta: When our French and Polish comrades invited us to the conference, we already made it clear that for the time being there can be no talk about war and peace without mention of the Soviet intervention in Afghanistan.

SPIEGEL: Nevertheless, why then did you not express your opinion in Paris? In other matters the PCI is always declaring: We speak with everyone and openly express our opinion. Is this principle no longer valid?

Pajetta: Non-participation is also a response. As for the rest, it would have served no purpose to take part in the conference. We and our views would have been ignored, because everything was decided according to the majority principle there.

SPIEGEL: And of course the overwhelming majority was pro-Soviet.

Pajetta: Yes. In the previous all-European conference of communist parties, in 1976 in East Berlin, things were different. At that time, the participants negotiated with one another even before the beginning of the conference, until they reached the point where all antagonisms had been cleared away and the participants could agree on the resolutions. As a matter of principle, we take part only in proceedings which lead to the consensus of all participants following a broad discussion.

SPIEGEL: But the French Communist Party has characterized the Paris conference as being only a "meeting," in which everyone is allowed to express his opinion.

Pajetta: Nevertheless: If we all had gone there, including the Spaniards, Romanians, and Yugoslavs, then we would have had to submit to the majority decision of the others in the votings on the resolution text. That would have meant: Reversion to the times of centralism. Under no circumstances whatsoever can we allow new tendencies to emerge toward the formation of a center of leadership of the communist movement.

SPIEGEL: So then, was the East-Berlin conference of 1976 the first and last meeting of communists in Europe which was based on a consensus?

Pajetta: In fact, at that time I said: "This is a historic conference of communist parties, and possibly the last all-European conference." But to be sure that was said by me more as a joke, because of course we do not know what will happen in the future. Everything will depend on how future communist-party conferences are set up and carried out.

SPIEGEL: Since in addition to the PCI, eight more parties stayed away from the conference as a sort of condemnatory front, in actuality a schism has come about. Did you want that?

Pajetta: That is something which we did not intend by any means, and by the way I do not believe in such a split at all, and probably it does not correspond to Moscow's view of the situation either.

SPIEGEL: Boris Ponomarev, the Soviet Central Committee secretary in charge of relations with the non-governing communist parties, bluntly declared in Paris: There is no third way for Europe between the Warsaw Pact and NATO. That is clearly directed against you and your thesis of the third way between capitalism and Soviet socialism.

Pajetta: I am no exegete on the writings and speeches of Ponomarev. He professes his opinion, and we have ours.

SPIEGEL: Here it is not a question of freedom of opinion, but of the doctrine of Soviet internationalism at the Paris conference. We quote Ponomarev again...

Pajetta:...but please, only once more.

SPIEGEL: He said that world peace is threatened solely by the arming of NATO, whose "dangerous plans" must be "frustrated"--and that every different viewpoint is reactionary and directed against socialism. Why have you not utilized the Paris conference to promote your own concept of a bilateral armament stoppage?

Pajetta: Our proposal, that NATO and the Warsaw Pact should suspend the construction of more missiles and negotiate anew during this time, is not addressed to parties, but to the governments. We were already calling on the Soviets back in 1979 to stop the building of their SS-20 missiles during these negotiations.

SPIEGEL: In contrast to you, the French Communist Party is going along with the Kremlin, is defending the invasion of Afghanistan, and is accusing the "Western imperialists" of warmongering. Why, do you think, has the PCF come around to the Moscow line so thoroughly?

Pajetta: Presumably, the French believe that this is the correct method for waging the anti-imperialist battle. However, we do not expect this to have any stimulating effect, especially since of course the Soviet intervention in Afghanistan cannot simply be excluded from consideration.

SPIEGEL: Not only the French but also many members of your own party are defending the Soviet invasion of Afghanistan and are accusing the party leadership of having a pro-Western attitude.

Pajetta: We are not for the West, we are for peace. Our condemnation of the Afghanistan intervention is also shared by many countries of the Third World. In the United Nations, they have voted against this intervention. We believe that socialism is not strengthened in the world through the Soviet Union's growing in acreage. We have to win souls, not ground. It is dangerous to identify socialism with the Warsaw Pact.

SPIEGEL: We recapitulate: You are behaving very indulgently toward the arms build-up plans of NATO. Your fraction in the Roman Chamber of Deputies has even endorsed a pro-Atlantic resolution. You have condemned the Soviet invasion of Afghanistan and have refused to take part in the Soviet-dominated conference of communist parties in Paris.

And into the bargain you have now traveled to Peking to see the archenemies of the Soviet Union, in order to celebrate reconciliation there. Evidently, the PCI has changed like the biblical Saul into Paul--only with the difference that Paul openly announced his conversion.

Pajetta: When Saul went to Damascus, he was a Jew. When he returned, having become Paul, he was still a Jew, but now a Christian as well. His new religion was of Jewish origin, and it has conquered the world. Change and continuity belong together. Why should we stick to the Old Testament, when after all we have learned from the Catholics to believe in both the Old and the New Testament?

SPIEGEL: We are speaking of the New Testament, of your trip to China. There the largest communist party in the West and the largest communist party in the world celebrated a reconciliation, after almost 2 decades of enmity. You yourself spoke of the "new dimension" of your internationalism--but to the people in the Kremlin, that must seem like a slap in the face.

Pajetta: No. We have said plainly that our trip is not directed against anyone, and not against Moscow. Rather, it is connected with our new strategy of international understanding. In this connection, we do not dispute of course that the Chinese, in contrast to us, view the Soviet Union as their enemy. But I believe that our Moscow comrades will realize that this trip was in the interests of peace and understanding.

SPIEGEL: On what practical problems did an understanding come about?

Pajetta: Only recently, our Chinese comrades were reviling us as revisionists. Now they allow us to hold a press conference in Peking before 160 journalists and to speak on Chinese television and at Peking University about our foreign policy. These are advances.

SPIEGEL: Were they the only ones?

Pajetta: You know, the meeting with the leading men of China moved me deeply. Because I also associate with China the fable of the "Long March." At that time, under fascism, it made our prisons more bearable and our will to resist stronger. Moreover, the new Chinese leaders have overcome the greatest of difficulties, following the Cultural Revolution, and have begun the reconstruction of their country with tremendous doggedness. Quite apart from politics--these communists are truly fine fellows. In my spontaneous embracing of Deng Xiaoping, there was no insincerity, either from my side or from his.

SPIEGEL: That is certainly a fine, although a rather romantic, form of communication. Were there also practical agreements?

Pajetta: The Chinese agree with us, for example, that the independence of the individual communist parties, as well as the movement of the nonaligned nations, must be promoted. And in certain respects we even discovered things in common in terms of our views on the struggle for peace.

SPIEGEL: Have you by any chance adopted Peking's solution concerning the inevitability of World War III--or were you able, perhaps, to talk the Chinese out of this solution?

Pajetta: Neither. The Chinese said: World War III is inevitable, but it must be deferred for 20 years. We replied: That will not do--certainly your sons and grandchildren do not want to be the last generations.

SPIEGEL: Besides, Peking's policy toward the Third World is still aimed at producing an anti-Soviet united front, and surely you do not want that, by any means.

Pajetta: At present, it is simply the case that certain differences still remain.

SPIEGEL: Not only differences, but also conflicts, even on European policy. Hua Kuo-feng and Deng become enthusiastic over anyone who is anti-Soviet--Franz Josef Strauss, for example, whom the PCI counts as one of its archenemies.

Pajetta: You are correct there. But the more friends the Chinese find among the communists of the international labor movement, the less will they clutch at people such as Strauss.

SPIEGEL: For the time being, the fact remains that in West Europe the Communist Party of China is the friend of your enemies. Peking is arguing for a strong NATO, and it speaks highly of Mrs Thatcher and the CSU. Surely your campaign of understanding is considered to be a naive flower-power action by the Chinese.

Pajetta: Many opinions and judgments have already changed, even among the communist parties. In 1948 we assailed the Yugoslavs, and I myself gave speeches against Tito. Today we know that we were seriously in error at that time, and we are now friends of the Yugoslavs and consider Tito to be one of the most important figures of the revolutionary movement.

SPIEGEL: Your judgment about the German Social Democrats has changed as well. After his meeting with SPD chairman Willy Brandt, Enrico Berlinguer said that they had come to an understanding on forms of cooperation. In what sectors do you want to cooperate with the SPD?

Pajetta: We find it useful merely to have an exchange of ideas on the problems of peace, of disarmament, and of security for Europe. Moreover, we were able to jointly accomplish certain tasks, such as policy in the social and guest-worker sectors. In the European Parliament in Strassburg, between the SPD and the PCI there are just as many things in common and as many differences as between the Italian and French communists.

SPIEGEL: Would there be even more things in common with the SPD in the European Parliament if the Social Democrats in Bonn did not have to keep their distance from the PCI because of their role as the governing party?

Pajetta: I would not like to meddle in the politics of another party. But in general one can say, especially on the basis of the Italian experience, that of course a party which belongs to a coalition government must be cautious--more than ever before elections, as is now the case in Germany.

SPIEGEL: Enrico Berlinguer also met with the French socialist leader, Francois Mitterrand. Afterwards he spoke of an "extensive concurrence of views"--what did this concurrence consist in?

Pajetta: Not only in questions of how to maintain peace, but also in welfare and social policy. When we compare the SPD to Mitterrand's party, it is my opinion that the French socialists are further to the Left. They are seeking new directions for the reorganization of society. And they are not so fearful of the accusation that they are Marxists.

SPIEGEL: Your contacts with labor and with Brandt and Mitterrand are already being interpreted as a campaign for a new European socialism. Is not this just as fantastic as the Eurocommunist movement?

Pajetta: For one thing: I really do not care for such word coinages. What we have in such cases are terms which are invented by the journalists for the sake of convenience. However: Nomina sunt consequentia rerum. When such terms are invented, then there is already something behind them. In any case, what is important for us is the unity of the European labor parties, and this is something we have been preaching about for years now.

SPIEGEL: The PCI as the standard-bearer of the united labor movement of socialists, social democrats, and some Eurocommunists?

Pajetta: We believe that although all these parties should march together as far as possible--still, each should march with its own flag.

SPIEGEL: Your tete-a-tete with Mitterrand was interpreted by the PCF as a maneuver aimed against them. PCF leader Marchais is convinced that you want to do damage to your French comrades, because you are choosing as your partner their domestic opponents, the socialists.

Pajetta: We see things quite differently, otherwise we would not have met Mitterrand. We traveled to China without breaking with Moscow, so why should we not be able to speak with Mitterrand without breaking with Marchais?

SPIEGEL: As the indignation of your PCF comrades shows, one cannot have all groups as friends, and even less so all at the same time. It seems to us as if you wanted to conceal your break with your pro-Soviet comrades, with this all-round readiness of yours for talks.

Pajetta: Why? Secretary General Berlinguer met Willy Brandt in Strassburg in March, and I met Erich Honecker. We had better speak with both of them after all, if we want to discover what can be done for peace.

SPIEGEL: Meanwhile, Georges Marchais has put to you the crucial question: Either with the socialists--or with us. Both together will never do.

Pajetta: Here we give the same answer as to the question: Are you in the Soviet or in the Chinese camp? Namely: We do not identify ourselves with anyone, we take a look at things and then we make our judgment.

SPIEGEL: Mr Pajetta, in view of the present world crisis the independent role of Europe promoted by you would boil down to a weakening of American protective power, which cannot be even in your interests, since an expansion of Soviet influence would be connected with that.

Pajetta: That is valid only if Washington aggravates international tension, by refusing to ratify Salt II, for example. By the way, we do not stand alone of course in our desire for more independence on the part of Europe from the United States. Many Frenchmen and Germans think so as well.

SPIEGEL: Whom do you mean?

Pajetta: Giscard d'Estaing and your Chancellor Schmidt, for example. They too are not ready to climb into U.S. helicopters and fly off to Iran for a military adventure.

SPIEGEL: Mr Pajetta, we thank you for this talk.

12114
CSO: 3103

COLUMNIST VIEWS PCI INDEPENDENCE FROM MOSCOW

Naples IL MATTINO in Italian 4 Apr 80 p 1

[Article by Giuseppe Galasso: "The Communist Diaspora"]

[Text] For the international communist movement, the 1950's opened with the consolidation of the Yugoslav scission and ended with the initial Russo-Chinese bouts. The 1980's opened with a drastic emphasis of PCI [Italian Communist Party] autonomy with respect to Moscow. How will they close?

No matter how they close, it is very unlikely the near future will witness a return to that hegemony which enabled Stalin to sign the German-Soviet [Non-Agression] Pact with Hitler, assured of not having to bother with worrisome reactions from international communism. The lacerations of the last 30 years appear, for the most part, irreversible.

What Moscow gained in extended influence with its satellites and dislocated friends, reaching, thanks to Cuba, to the very gates of the United States, it certainly lost in matters of security and solidity regarding the bond of dependence.

To paint this kind of picture all that was needed were the two major causes of secession, namely the Yugoslav and the Chinese ones. Stalin did not even attempt to make Belgrade forcefully toe the line. With regard to China, a return to Soviet obedience for now is not even in the realm of hypothesis.

The PCI's movement toward autonomy is no less grave, on the one hand, and much more difficult to reconcile, on the other. The PCI, among Western communist parties, electorally and organizationally is the most important as well as being the most cultured and most sophisticated. If it were to shift its center of gravity in a definite manner with regard to international politics, Moscow not only would lose a political and prestigious position on such an important chessboard, but much more. It would lose every possibility of affecting a hegemonic link with the whole of the European left as so many times seemed to be the case just a few years past. It may also be the case, according to the old dictum, that a policy agreeable to Moscow can be carried out only by moderate and conservative forces, and

not those of the left. What is more, the PCI has the ability, perhaps not even knowing itself the full extent of its own capabilities, of embodying a fathering nucleus for other parties which in a European and a Mediterranean framework cannot be underestimated.

All of this, to be sure, does not undermine Soviet might. However, there is no doubt that there are repercussions at a political-ideological and diplomatic level. And it is truly paradoxical that the USSR, just as it sees its military might develop on a worldwide scale to the point of giving the impression of having overtaken the United States, at least on a tactical level, the USSR is finding it more and more difficult to maintain, in the compactness of the international communist arena, that element of order which was not at all insignificant in its own rise to power and which one would imagine as being easily controllable by Moscow.

But even more paradoxical is the vicissitude the PCI now has to face. The PCI has left the parliamentary majority following a very strenuous, 10-year march toward rapprochement. It has returned to that opposition to which it swore it would never go back. It has used up the temporary access to the governmental majority with the loss of electoral strength which between 1975 and 1976 appeared unstoppable. And it is in this very scenario that its policy of autonomy from Moscow begins to harden. The list is awesome: from the meetings of Berlinguer with Schmidt and with Mitterand to the polemic with Marchais, from the condemnation of the attack on Afghanistan to the trip of a delegation to China, from the vote in Parliament which evidenced the conspicuous phenomenon of "franc tireurs" [members who do not necessarily vote the party line] in the PCI ranks regarding the decision not to participate in the Moscow-backed European Communist Conference. Bearing in mind the recent vote cast against Italy's immediate entering the European Monetary System and the vote against the decision to increase NATO's missile capability and bearing in mind that these two votes have not had an insignificant role in determining the PCI's egress from the governmental ruling majority, makes the paradox that much more evident.

But politics has its unbendable exigencies. The PCI is by now very well aware that its "opening to the West" is a decisive factor in its conduct of international policy.

It is also aware that dealing with "the communist question" in a substantive manner in the near future will depend on its general policy line of conduct; this is a question that anyway cannot be closely examined until after the American and German elections. The current of the Botteghe Oscure [PCI Headquarters] foreign policy should be examined in this light, and it appears that it will follow its own course, independent of vicissitudes of Roman majorities, and it appears, on the long run, that it will be able to influence its own course in a different manner than in the past.

9209
CSO: 3104

FOLLOWERS OF CRAXI WIN CONTROL OF CALABRIA PSI

Messina GAZZETTA DEL SUD in Italian 11 Apr 80 p 5

[Article: "PSI: Craxi Group Contests Procommunist Current"]

[Text] Palerma--Cesare Marini was reelected PSI [Italian Socialist Party] regional secretary during a committee meeting held at Palerma. Oscar Campana was elected deputy secretary. The Mancini backers (except Ferrarini and Rosarno) voted in favor, along with four of the left and two "Amici di Frasca." Craxi supporters did not vote, as also did not two from the Socialist left (Landolina and De Girolamo).

The situation that was present in February 1979 thus has not altered one way or the other, although then as now, it was about to face an electoral campaign. The party's new makeup that is, a Mancini-left majority, is characterized by the usual procommunist line and the usual acclaimed will for "renewal." It should be said that this time, though, there exist much more concrete interests, which have as their aim the upsetting of a possible running of a candidate from the region of Cosenza.

Confronted with this situation, Craxi followers, in addition to not participating in the elections for regional organs, have refused to take part in them. A vertical split has therefore occurred within the Calabrian Socialist Party which will reopen dangerous polemics and have repercussions on the party's activities.

The debate took place after three documents had been presented: one originating from the Mancini followers and the left, signed by 22 members of the regional main office (out of 41); one from the followers of Craxi, signed by 17 members; and one signed by Landolina and Di Girolamo, who were in disagreement with the main committee. Later, Craxi supporters and the two leftists presented an order of the day signed by 19 members of the regional committee.

Basically, the document put forth by the majority focuses on three main points: the necessity to defeat DC [Christian Democratic] hegemony: a

political line that is totally identical to that of the PCI; and the proposition for the renewal of the region's Socialist Council Group. Regarding this final point, it was discovered that initially the document presented by Mancini supporters and the left was particularly harsh. It demanded the pensioning off of all the Palazzo San Giorgio socialist councillors citing age and the [small] number of legislative initiatives which were not able to counteract DC hegemony. This section was diluted by the re-propositioning of the renewal issue just before the elections due to the danger of defections during the voting period.

Beside the procommunism of the new majority, it was on this last point that the argument focused. The debate, following the introduction by Mancini supporter Frontera (who argued in favor of unity of the left even if in "his" crotone there exists a communal DC-PSI administration), then continued with 10 arguments all presented by the Craxi contingent, involved as it was in a futile search for clarification of political lines inserted in the document.

The majority embarked on a silent approach, so the requests presented by Craxi followers, explanations on policy line, and the criteria which would determine the formation of electoral lists on the by now imminent regional and administrative elections have fallen on deaf ears. Things have developed to such a point that to evidence the vertical split within the Calabrian PSI, Craxian followers have left the responsibility of certain decisions to the majority and they have refused to be part of the executive organs, thoroughly convinced to carry on with their own electoral campaign. In this context, Craxian followers have decided to meet on Saturday 26 April.

Honorable Francesco Principe, a member of the Craxi group, had the following declaration to make following the results of the regional socialist committee.

"This session of the regional committee," said Principle, "signals an event of great importance: that group which made reference to the positions of the secretary of the party, meaning in Calabria, from Cingari to Palamara, from Casalinuovo to Gaetano Mancini, from Mundo to De Munno, from Galizzi to Argiro, to Maugeri, to Terranova, to Zito found itself in total agreement, even on operational plans."

"The new majority that was formed in the regional committee," added Principe, "is in effect a repetition of that which was formed last year, and which brought about the election of comrade Tassone as secretary. This majority in one year has caused much damage, much of which will weigh heavily on the life of the party."

"The attempt of the new majority, namely of trying to engineer the coordination of a political policy in Calabria, which is confused and contradictory but above all which is diametrically opposed to that brought forth by the

most recent meetings of the central committee, represents a dangerous expedient which we have the duty to oppose in order to avoid the PSI's conflict shedding those characteristics of autonomy and become involved in a demagogic policy which has no chance of success whatever in our region" added the Craxian representative.

According to Principe, "the majority has refused every confrontation, every possibility of revision of the document, presenting itself as a Prussian whose sole objective is that of marrying socialist policy to PCI positions."

Honorable Belluscio, for his part, released the following statement. "The PSI regional committee resolution, according to which that party declares itself answerable only to leftwing committees, is such that it may open a period of grave political uncertainties in Calabria. We know that it is the decision of a very restricted party majority, but nevertheless a majority with which political forces and voters will have to deal."

"In our opinion," said Belluscio, "it is unthinkable for the Calabrian PSDI [Italian Social Democratic Party] to contradict the fundamental precept of its national policy and declare itself amenable to a plan which is above all foolish and as such, does not exist in reality. This would go so far as to create the conditions leading to non-governability in the region and in the local chapters at the very moment when, reinforced by those not always positive experiences in the past, it becomes necessary for all those responsible political forces to take it upon themselves to courageously remove those causes that paralyze regional life.

9209
CSO: 3104

UIL ORGAN SUPPORTS EFFORTS TO ORGANIZE POLICE FORCE

Rome LAVORO ITALIANO in Italian 21 Mar 80 p 4

[Article by Aurelio Massimi: "The Police Cannot Do Without Workers' Solidarity"]

[Text] A meeting of the constituent assembly of the United Italian Police Workers Union (SIULP) was called at Rome on 20 April 1980 by the Movement of Police Workers and the CGIL-CISL-UIL [Italian General Confederation of Labor]-[Italian Confederation of Labor Unions]-[Italian Labor Union]. In addition the membership campaign of police workers will be opened (and completed when the first National SIULP Congress is held). This will be done through distribution of a membership document whose first page will contain the note "at the initiative of the Police Workers Movement and the United CGIL-CISL-UIL Federation," in addition to the seal of the union.

Furthermore, the trade-union statute, which has already resulted in considerable debate among police workers, a debate that involved thousands and thousand of workers, will be approved.

With these important decisions, which crown almost 10 years of struggle, the general council of the police union--which met at Ostia on 15 and 16 March--gave concrete organizational expression to the political decisions adopted in the preceding Ostia General Councils (24, 25 November 1979), of Vico Equense (19, 20 January 1980) and in substance reaffirmed it wanted to maintain membership in the Italian Trade Union Movement which the Interior Committee of the Chamber of Deputies--in reference session--prevented by a majority vote contaminated by the decisive votes of the social movement.

The desire to maintain an association between the police union and the Italian working class was often repeated in debate during which--despite the affirmation of respect for any decision that Parliament will make and the desire to be immune from party influence--it was emphasized that the police, "taking organizational independence for granted, (that is a union

"organized, directed and represented by themselves) do not renounce solidarity with other workers."

Thus the organizational assembly, SIULP approval of the statute, and the admission to membership of police workers represent so many phases of struggle against those political forces which want to limit the rights of trade-union freedom that the constitution guarantees all citizens and will represent a call to mobilization not only to police workers but to the entire united federation.

In fact the Italian workers cannot tolerate a situation in which a regulation can be introduced into the Italian state system that would consider membership of the police in the united federation a subversive plot and an attack against democracy that it must uproot at all costs. If this view were to be approved and become the law of the country, we would be faced by a precedent that risks becoming extremely dangerous and that undoubtedly would produce extremely serious political harm.

These realities and dangers are clearly understood by the workers in general and by those in the police forces particularly. Therefore it is necessary to fight so that an equal degree of awareness will develop in other groups and, above all, among those from whom come the artful denunciations of alleged illegal positions and decisive threats of repressive measures.

Union Rights and Reform

But the Ostia General Council ended with a strategy that shifts the action of the movement not only to the terrain of trade-union rights but also to that of reform. In fact during debate and in the final motion the correct emphasis was given the three points of police reform concerning which the interior committee achieved unsatisfactory results and which risk having negative consequences also on the terrain of efficiency. These referred to: Militarization of the civil function of police authorities obtained by entrusting that delicate function also to the Carabinieri in ordinary offices headed by a lieutenant (thus withdrawing this responsibility from the trade unions); assigning to the Prefects all the responsibilities concerning personnel administration and guidance of technical-logistical support such, as for example, police schools, training, weaponry, etc.; the assignment of personnel that have suffered from a strongly hierarchical system, completely uprooted from the context of the public employment sector to which--even though with a specificity tied to the particular status of police workers--he must remain tied.

To the political forces invited to make a contribution--both those who were present and those who did not care to participate in the proceedings--the police union general council thus demonstrated a strategy of struggle that is not conducted in the interests of the group alone. It is a function of the need to give the police forces greater professionalism, greater ability

to function, and at the same time to achieve a situation in which the democratic forces present who voted for the article on the trade union can review their position, recognizing the unconstitutionality of the regulations approved in committee. The active solidarity of the entire Trade Union Movement will not fail to support this strategy of struggle either in the preparatory phase or on 20 April.

6034
CSO: 3104

FGCI EXECUTIVE COMMITTEE DOCUMENT ON YOUTH EMPLOYMENT

Rome L'UNITA in Italian 26 Apr 80 p 6

[Text] The national board of directors of the FGCI [Italian Communist Youth Federation] met after the large demonstration protesting unemployment which took place in Naples on 20 April and it discussed and drew up proposals which it intends to use as the basis of a broad consultation among the young men and women of the entire country and which it submits to discussion and confrontation with the youth movements, the democratic political forces, the labor union, peasant and cooperative movements, the technicians, the economists, the intellectuals, so that a serious policy can be inaugurated for the employment of youth. "The FGCI," we read, among other things in a document approved by the board of directors, "will make every effort to see that during the next few weeks this confrontation takes place, the proposals will be defined, especially initiatives and unified struggles of Italian youth will develop, to oblige the government to make specific choices, since it has not seen fit, in its program, to indicate any policy concerning youth employment.

(1) The basic limitation which has weighed on the enforcement of law 285 for the preparation of young people for work has been the lack of a general policy of planning and development within which we must insert some specific provision to begin to solve the dramatic question of work for young people.

In this respect, the results of that law have been, on the whole, disappointing. Even with this limitation, and notwithstanding the sabotage on the part of the government and many industrialists, almost 100,000 young people, half of them young women, have found work, albeit mainly in public administration; approximately 1,000 cooperatives have been set up, especially agricultural ones, with the participation of 20,000 young people; hundreds of thousands of young people, especially from the South, by registering on special lists, have dramatically raised the question of unemployment as the central problem of the status of youth and of the national society. The FGCI itself claims responsibility for the attainment of these results.

"At this point, however, we need to change direction and to reject the attempts made, in the first place by the DC [Christian Democratic Party], to postpone for another three years law 285, with the intention of using it instrumentally and in such a way as to use patronage in the confrontations with the young people from the South in search of work. The collectively deceptive experience of law 285 says precisely that to confront the questions of youth unemployment we must take the route of an effective policy oriented toward the South, of a new development of the economy and the national society, of a new organization of Italian society and democracy. This means beginning a policy of planning, carrying out great social reforms, changing the practices of government and of the central administration and of the peripheral ones on the problems of youth, to commit to this extraordinary task the resources and the energies of the Italian democratic intellectuals.

(2) It is necessary to plan special programs for the employment of youth from the South. Such programs must be defined by the government, by the public economic sectors, by the regions and the local governments and they must concern sectors which are selected for development, civil advancement, a new organization of society. The regions must share in these objectives, through the regional plans and even concerning the application of the national laws on planning, already in force (four-part law; 10-year plan for construction; law No 183, etc.).

"The rapid definition appears particularly important to the programs for: supplying the South with methane; the defense of the environment; the development of agricultural production, even with the utilization of uncultivated and badly cultivated land and of the great patrimony of public lands; the implementation of civil, cultural, sports and youth services infrastructures; tourist improvements; the implementation of health reform; the development of consulting centers, of children's homes, of services for the elderly; the implementation of public services, which are particularly lacking in the South.

(3) The programs of investment of the state shares must anticipate the utilization of the contract on training and work to absorb a high share of young people in search of employment.

(4) Financial and technical support--which has been lacking up to now--must be given to the development of youth cooperation, especially in the agricultural sector, through: the immediate distribution of the 24 billion allocated through law 285 for the agricultural cooperatives which have already been organized; the approval of a law which, even reproposing a few articles of law 285 would assure, with adequate means, support of the youth coops, anticipating also the institution of a fund with the Coopercredito; the overcoming of delay; and obstacles which have inserted themselves these last few years and which are inserting themselves in the allocation of uncultivated or poorly cultivated lands to the youth cooperatives, also through the modification of the existing laws.

These requests concerning youth cooperatives are an urgent priority.

(5) In conjunction with the definition of the special programs for the employment of young people and of the plan for the development of youth cooperatives and finalized for this, regional plans must be begun for the professional training of young men and women. For those participating in these courses, the manner of admission and the measure of indemnization must be established.

The government must indicate the general planned criteria for the application of the framework law on professional training, increase the financial support, coordinate the initiatives for the utilization of the community funds. Within the scope of these plans, contracts are being defined with the state shares and with private industry.

(6) Essential to a new policy of employment for young people, is the institution of a national labor service (or of a labor agency) which, functioning on regional and territorial bases, would govern the labor market in its various aspects, from the beginning to the professional training and retraining, from unreported jobs to uncertain ones and which would allow, for the young people, based on bargaining, temporary part-time forms of work which would guarantee the young people an effective social mobility.

(7) The regions must immediately approve laws taking responsibility for the marginal young people of law 285, applying the norms established in article 26 of decree-law 663.

(8) The FGCI proposes, finally, that there be discussed, by all those interested and by the political and labor union forces, the question of the increase (within the measure to be established) of the indemnity for ordinary unemployment and of its extension to the young men and young women in search of first employment who find themselves in special conditions (to be discussed and defined also).

8956
CSO: 3104

CPN EXECUTIVE COMMITTEE PUBLISHES JUNE CONGRESS PLATFORM

Amsterdam POLITIEK EN CULTUUR in Dutch No 5, May 80 pp 199-204

[Text] Herewith the four draft resolutions submitted to the party by the executive committee for discussion and adoption at the congress.

The Anti-Nuclear Weapons Campaign 'For Peace and Security'

1. The campaign for peace and security in Europe and throughout the world has taken on large dimensions here in the Netherlands in the last few years. It is characterized by breadth of constitution and objectives. In the preparation for the 26th congress and especially since that congress the party has unreservedly devoted itself to this fight, which is aimed directly against the forces that will not reconcile themselves to the necessity of international détente or that are attempting to return to the times of the cold war.

The party's great efforts on behalf of peace and security have acquired a new dimension through the normalization and intensification of relations and the realization of a significant cooperation with communist and labor parties in the capitalist as well as the socialist countries of Europe. This cooperation is characterized by common objectives, with the focus on the fight for peace, but with recognition of the autonomy of the various parties. Within this framework the establishment of contacts not only with communist and labor parties but also with other democratic and progressive movements in the nonalined countries has also proved very fruitful.

2. A characteristic of the movement for peace and security as it has developed in the Netherlands is the overwhelming rejection of nuclear weapons and of the further development of these weapons of mass destruction, which it is proposed to deploy in Europe.

Through the successful fight against the neutron bomb, which military circles in the United States--with the support of revanchists in the FRG --thought they could introduce into the existing arsenal of weapons, the warmongers were dealt a telling blow.

The tangible result of this campaign, in which Carter suffered a worldwide defeat and in which, for the first time in history, a new American weapons system was blocked, the confidence of the mass of freedom fighters in their own power was strengthened and the way was opened up for a persistent, intensive opposition to new nuclear weapons systems.

The fact that the Van Agt government had to inform the NATO ministers' council of 12 December 1979 in Brussels that it was "not in a position" to decide in favor of a possible stationing of the new American atomic rockets (Pershing II and the cruise missile) on Dutch territory and that such stationing cannot even be discussed for the first 2 years marks a great new victory for the forces of peace in the Netherlands. The communists, who played a compelling part in this, fully realize it. The increasingly general opposition to the irresponsible use of nuclear energy and the demand for closing nuclear power plants constitute an important aspect of the fight against atomic adventures in the Netherlands.

The CPN [Communist Party of the Netherlands] is developing in its own theoretical position in the question of war and peace, and at the same time is forcefully supporting the Dutch peace movements "Stop the N-Bomb, Stop the Atomic Arms Race," IKV [Inter-Church Peace Council], and Pax Christi, which in many cases represent together the majority opinion of the Dutch population.

3. The movement against the N-bomb and against the new American atomic rockets has shown the strength and significance of the mass movement for peace in the capitalist countries.

Without appraising this movement at its true value, promoting this policy, and doing everything possible to maintain and defend its unity with regard to the principal issues of our time, no consistent and effective peace strategy in Europe and in the world is possible.

By concentrating all forces on these main issues and not letting them be dissipated on secondary problems (as the old-fashioned cold-war propagandists are only too eager to do), it is possible to obtain a real power group for peace and security.

This power group for peace and détente--against military confrontation--in the capitalist countries is of decisive importance.

4. In view of the demands and the opportunities of the present time, the CPN should devote more attention than before to this fight for peace, which is one that is directed against the military-industrial complex in the capitalist world that for its own power and profit constantly creates new demands in the field of armaments and places new burdens on the working population.

The military-industrial complex is trying in this way to exorcize the political and economic crisis of present-day capitalism, at least for

itself, and thus, precisely in these times, constitutes a continuing threat. This threat is directed primarily against the democratic rights of the population, which must be resolutely defended.

Against the view that the military-industrial complex must be respected because there are jobs at stake, the view is gaining strength that the labor union movement must play an active part in the peace movement because the continued existence of society depends on the lasting achievement of peace and security.

Objectives in the fight for peace are:

No new American atomic rockets in the Netherlands now or in the future;

Elimination of nuclear weapons all over the world, starting in the Netherlands;

Continuation of détente in Europe, which is important to the whole world and is necessary both in the political and in the military field;

Stopping the militaristic squandering of raw materials and capital, which makes the problems of the developing countries unsolvable and intensifies the economic crisis in the capitalist countries;

Putting an end to the militarization in various regions of the Netherlands, the fight in Limburg, Brabant, and the northern provinces and also the campaign against installation of a ring of rockets around Rotterdam being of the greatest importance here;

Drastic reduction of the Dutch defense appropriation;

Unanimous opposition to a NATO policy that is becoming ever more clearly contrary to the interests of the peoples of the NATO member states and even threatens to draw them into conflicts outside the area of the NATO alliance (in the Near East and Southeast Asia);

Development of the East-West dialog, in which the nonalined countries can play an important positive part; and

Opposition to any further proliferation of atomic weapons, which can become a great danger especially to the peoples of the Third World.

5. The fight for peace has a clearer perspective than ever before. It stands under the sign of optimism, not of fatalism; it proceeds from an unwillingness to acquiesce in the alleged inescapability of the dangers that surround us.

The attempts of aggressive military circles in the United States to disturb the international situation and constantly create new trouble spots can be brought to naught.

The powers must renounce the use of force in the settlement of disputes. Instead of unilateral actions, bilateral and multilateral agreements are necessary to secure peace.

In the spirit of peaceful coexistence among states with differing socio-economic and political systems, problems and disputes should be solved by negotiations, with respect for the independence of the states.

An effective power grouping for peace requires solidarity with the struggle of the peoples of the Third World--with the forces that rise up for national independence and social progress and are faced with the solution of gigantic problems. The nonaligned countries perform an important function in the preservation and promotion of world peace.

The Dutch rejection of the N-bomb and of new nuclear weapons on our territory is a mark of the strength of the mass movement in the Netherlands, which embraces churches and political parties, but also a mark of a changing international power pattern. The American imperialists can no longer employ the old methods with success. The developments inside Europe, the struggle of the masses in the capitalist countries, the increased power of the socialist states in the world, and--not unrelated to these phenomena--the intensification of the conflicts within the American ruling circles are the main reasons for this. For that very reason the possibilities of the peace movement in the Netherlands are greater, while at the same time the conditions are being created for a more independent attitude on the part of the small countries. The mass campaign for peace in the Netherlands can put a new face on our country's foreign policy. The interests of small countries have become more evident and are being given more recognition in a time when the great powers' nuclear destructive power has reached an absurd peak. The movement for peace--against atomic armaments and for détente, for solution of problems by negotiation instead of by force--is of national importance and serves the cause of peace internationally as well.

The cooperation of political parties as it took shape in the campaign against modernization of nuclear weapons and in the Consultative Group Against Nuclear Weapons (CPN, PPR [Political Party of Radicals], PSP [Pacifist Socialist Party], PvdA [Labor Party], D'66 [Democrats '66], and CDA [Christian Democratic Appeal], together with the three peace movements, the FNV [Netherlands Trade Unions Federation], and the VVDM [Union of Conscripts]) came into being as a result of the movement against the neutron bomb, and acquired significance for that very reason.

In all of this the party should retain its own identity and manifest it by initiative, power of organization, and a position based on principle, with a feeling for flexibility in changing relationships.

Socioeconomic Conflict

1. The situation today is characterized on the one hand by an unprecedentedly violent attack by government and business on the standard of living and on the totality of the social and cultural services, and on the other hand by a resistance to that attack that is continuously increasing in scope and power.

In the past the rightist forces have represented it as if the crisis and the mass unemployment could be combatted by a policy of moderation with regard to wages and social benefits, economy, and encroachment on union rights for the benefit of profits.

Experience has shown the bankruptcy of this view; unemployment is increasing. More and more regions are finding themselves in a state of emergency. While the profits of the multinational corporations and the banks are increasing explosively, for the working population an intolerable situation is developing as a result of decline in the standard of living and increasing uncertainty about the future. Powerless to solve the problems of standard of living, wages, and jobs, those in power resort to authoritarian measures and even take refuge in police violence against strikers, demonstrators, and other campaign leaders.

The CPN will continue to make its contribution to the further strengthening of a combat-ready opposition to the government's policy. At the same time it sees this as the principal force for the development of a democratic power group that has the objective of bringing about a change of direction in socioeconomic policy.

2. The CPN considers that it is of the very greatest importance to learn the lessons of the campaigns of the time just past, which have been of an unprecedented scope and effect and embrace almost all sectors of the life of society.

The movement "Down With the '81 Budget," in which the communists played an initiative-taking and stimulating part, brought into existence the first grouping of forces against the socioeconomic policy of the Van Agt-Wiegel government.

That movement included union members and unorganized workers from many firms and branches of industry; government personnel; unemployed persons, the aged, and WAO'ers [those living on benefits under the Law on Labor Disability]; workers from education, public health, and welfare; women working in and outside of the home; students and artists; people fighting for affordable housing and urban renewal; and those who are fighting in the various regions for the people's interests.

In this movement, which is based on fights for various demands in widely differing sectors of society, a mutual solidarity takes shape which leads to a broad deployment of forces that shows up in demonstrations and

manifestations of all kinds. Moreover, diverse forms of democratic mass action have developed at universities, in urban renewal districts, etc.

Unmistakable opportunities are afforded for the further build-up of the opposition and for promotion of the necessary dialog concerning progressive alternatives.

3. The CPN finds that in the movement of the last few years the indispensable rôle of the action committees is very pronounced.

Initially there was opposition from many quarters to the formation and the activity of the action committees, but now there is general recognition in the life of society of the significance of these action committees as agencies, developed during the struggle, for cooperation of organized and unorganized workers and of all who wish to unite for specific objectives. The action committees are of great importance for democracy in action.

Just as it is necessary to gather all forces to defend the rights of the trade union movement and of the elected representatives of the workers, it is also necessary to strengthen the position of the action committees.

Within the framework of the defense and expansion of democratic rights, such as the right to strike, especially in a period in which great dangers threaten for the interests of the workers, action must be taken to strengthen the trade union movement and its right of decision--as well as that of other democratic fighting agencies of the masses--in all questions that concern the lot of the working population.

4. The opposition to the policy of the government and business reached a break-through with the strike in Rotterdam harbor in the fall of last year. The strike yielded important results for the dock workers and at the same time provided a powerful impetus to the struggle of the entire Dutch workers' movement. The strike did away with the proposals that the government and business had intended to present to the workers. The policy of moderation was wrecked. The doubts that existed within the workers' movement--partly as a result of the position taken by rightist trade union directors under the influence of leading circles in the Labor Party --were increasingly pushed into the background. A nationwide solidarity came into being. Thus a new reality took shape, so that it became clear that the workers were no longer willing to swallow the policy of moderation, nor to concur in conceptions that, with variations, advocated all sorts of concessions to that policy. Since the dock strike the combat readiness has further increased both inside and outside the trade union movement, and that has led to mass demonstrations during the first few months of 1980. Besides a great development of force in the plants, for the first time many in the service industries have struck; this is an indication of how the struggle is broadening.

The CPN is of the opinion that--in view of the government's attitude--the fight must be continued with force and conviction. The party considers

it the duty of all progressive Dutchmen to join in the fight.

5. One of the most valuable aspects of the social conflict is that it is not limited to a protest--important as that is. It is of the very greatest significance for the future of the Netherlands that in the fight against the rightists the working class is developing its own ideas concerning how the crisis is to be combatted and what the central consideration is to be.

Against big capital's priorities--profits, armaments, and restraints on the labor movement--priorities of its own have been set up; namely, protecting the standard of living, combatting unemployment, reducing armaments, taking away profits, maintaining and improving all social and cultural provisions, and expanding democratic rights. In the formulation of these priorities the CPN played an important part, as did its scientific bureau IPSO [Institute for Political and Social Research], which set up the plan "For Work and a Better Existence."

All of this took place in a continuing confrontation and discussion, with pleas for acceptance of the moderation policy such as are still in fashion in the Labor Party.

The CPN finds that in increasing degree ideas from the mass movement are showing up in positions taken by trade unions and other interest organizations.

All of this is of decisive importance for the creation of a progressive power group aimed at striking out in a new direction in socioeconomic policy on the basis of the workers' interests.

6. The CPN observes that its policy--thanks to the years of patient and unremitting effort by the communists--has found a broad audience in the labor movement.

It considers this a result of the resolutions of the 26th party congress with regard to work for the party's policy at the plants.

The propaganda for the party's positions was not based on narrow partisan interests, but on the interests of the working people and the necessity of uniting them for new goals. In spite of important gains that have been made here, it must be admitted that the training of new party members and recruitment of new members at the plants are still running too slow.

For that reason the congress resolves to attack the problem of strengthening the party at the plants, offices, and installations more forcefully, both organizationally and propagandistically.

CPN's Parliamentary Position and Objectives

The communist party is striving to occupy as strong positions as possible in representative bodies.

It uses these positions to stand up for its views and aims, to exert influence on and in government bodies, to see to it that the people's wishes find expression in the decision-making, and to protect groups and individuals against the whim of government and of officials.

In municipal councils, provincial legislatures, and parliament, and also in ward and regional organs, the indispensability of the CPN has been convincingly demonstrated for years. Our party constitutes an essential and necessary element in the system of democratic representation in the Netherlands.

It is partly for that reason that its untiring fight against tampering with the existing system of voting has always found a great deal of support from the population.

In the great mass movements of the last few years for peace, for protection of jobs and the standard of living, and for democratic rights, the desire to gather progressive forces together and form a majority has greatly increased.

Experience--disappointing to many people--with the Den Uyl-Van Agt cabinet and the reactionary policy of the Van Agt-Wiegel cabinet has strengthened the desire to arrive at a coalition of the peace-loving, democratic, and progressive groups.

This idea is already finding a great deal of support in the PPR and the PSP.

It is also making headway within the PvdA against the faction that wants to drop back into old PvdA-CDA patterns.

The desire to arrive at a progressive majority group is strong in the trade union movement and in other large social movements and organizations.

In this development the parliamentary representation of the CPN, the party that has acted as the champion and pioneer of united action, acquires a special weight.

The core of the discussion of formation of a progressive majority, especially as it takes place between communists and socialists, is the matter of formation of a power group.

The communists consider it necessary, with the help of a parliamentary majority that relies on the active support of the workers and their organizations, to:

a) Curtail the power of big capital and make it subject to democratic control, and

b) follow a course directed toward elimination of atomic weapons and drastic reduction of armaments.

Crisis, the threat of war, and encroachments on democratic rights and institutions demand that this course be followed.

It is the way to maintain the standard of living and social achievements, to avert catastrophic trends toward an atomic conflict, to preserve the rights and freedoms of the citizen against antidemocratic undermining, intimidation, and the use of force, and to be able to effect the necessary solidarity with the peoples of the Third World--and also to arrive at a sweeping renovation of society.

But within the PvdA the tone is still set by the faction that does not want to interfere with either the NATO policy or the power of the multinational corporations and the banks. It aims at a return to the old model of the PvdA-CDA combination, with or without the support of others, a model that can yield nothing but a repetition of the bankrupt policy of the Drees-Romme and Den Uyl-Van Agt governments.

Return to this unprofitable policy or breaking with it by formation of a progressive coalition aimed at formation of a majority--that is the core of the political discussion that is now taking place among progressive, peace-loving, democratic Dutchmen.

This is taking place in divergent forms within all the big movements of our times, which not only give expression to the opposition and the resistance to breakdown and the threat of war, but are also the vehicles of thoughts of social and political renovation. It is of the utmost importance to conduct this discussion with patience and the power to convince, inasmuch as its outcome is of essential significance for our future.

The communist conviction that strong social movements are indispensable to the necessary political changes and that these can go hand in hand with the formation of a parliamentary majority is confirmed by important events.

This happened in connection with the big peace demonstrations against the N-bomb and atomic rockets, in connection with defense of democracy and combatting discrimination, in connection with upholding the gains and convictions reached in the fight against the Nazi occupation, and in connection with the fight for social aims and union rights. It was found in those connections that progressive and democratic action in parliament and in the popular movements mutually fructify each other; in particular that the communist presence in the representative bodies has a direct stimulating effect on the mass campaign, that it helps the latter in argumentation and direction.

Thus a strong communist representation plays an essential part in bringing about a majority in favor of a policy that differs essentially from the harmful and reprehensible policy that is pursued at present.

for that reason the party's losses in the last elections were harmful to the interests of the population. For those interests and for the formation of a progressive majority that would stand up for them, it is necessary to strengthen the communist delegation and bring it into line with the real political weight of the party.

This strengthening will put the party in a better position to throw its weight into the scale for peace, democracy, and standard of living, and thus exert an effective heartening influence on others. It will mean an encouragement to the mass struggle that must be the foundation and the driving force for formation of a progressive majority.

For a Strong Communist Party of the Netherlands

The Communist Party of the Netherlands has given an aggressive answer to the deeprooted crisis in capitalism which presents dangers to peace, to the standard of living of the population, and to democratic rights.

It is in part due to the party's orientation toward formation of a democratic power group of the population against the undemocratic dictates of the government and business that powerful mass movements have developed in the Netherlands in a number of important areas of the life of society.

The mass movement gave new impulses to existing organizations and interest groups, and pushed even bourgeois politicians toward new positions in which the demands made in the movement were in the foreground.

It was possible for the movement to develop because progressive people broke through rigid lines of demarcation and focused on the common goal of their efforts. The communists' participation set an inspiring example in this. The work of communists in mass campaigns at the constant behest of the party had a unifying and broadening effect and strengthened the mass's feeling of strength in the face of specific objectives. Obstacles that existed in the party to joint actions with others were broken down by an orientation of the whole party toward action and by careful preparation of arguments and perspectives. This made it possible for many communists to play an initiative-taking and decisive part in the formation of a democratic power group, and many persons were inspired by and won to the political vision of our party.

The party's influence on people's thinking and on the political life of the Netherlands has unmistakably increased.

The party organization's focus on the development of action and the preservation of the results of the action must be continued in the future. Improvement of the quality of the work is of decisive importance here.

In addition, a further improvement in the party political life must be brought about, with an intensive interrelation between leadership and members of the party. Good functioning of the internal party democracy

is necessary for the assimilation and utilization of new ideas developed in the mass movements.

The party's unanimity in implementing the decisions of the 26th congress strengthened the power and effect of our activity and laid the foundation for a necessary open decision-making in a number of new fields. In the campaigns new party members developed into strong activists; the party's activity thus became much more many-sided, and communists were in a position to give organizational and political direction to important elements of social conflict.

The party committees must be strengthened with these new activists to make the growth effective, and it is of great importance here for the combat-ready, renewing rôle of the women's movement in the Netherlands to be reflected in the composition of the party committees at all levels.

Assimilation into the party of 60 years of conflict and of new ideas must lead to stable, balanced committees with strong power to act. Strengthening of the divisional committees and a systematic build-up of the party organization are an essential condition for further development of the party's activity. This must be based on the optimal involvement of all members in the development and implementation of party decisions.

This will also increase the party's recruiting potential.

Strengthening the CPN is certainly necessary for us to be able to carry out the tasks we are undertaking. The most effective method of doing this is purposeful recruitment of members by divisions and industry groups. In addition to meetings and other activities, a personal approach is indispensable here. Although the activity of particular communists invokes sympathy, approval, and respect in many people, the true picture of the CPN is still too much obscured, partly because of years of misrepresentation of the CPN views by anticommunists in the Netherlands.

This underscores the necessity of directing the propaganda work toward winning people to our ideas and toward direct reinforcement of our party. This must be done in a variety of forms tuned to the specific questions that prevail in the groups that we want to reach. At the same time this must lead to strengthening the ties with those who are convinced of the need of a special contribution of the CPN to national and international policy.

The improved approach to work in the field of investigation, study, and discussion of new social developments has put the party in a better position to work out a view of its own concerning new questions. In addition to DE WAARHEID, both IPSO and our monthly POLITIEK EN CULTUUR have made important contributions to the formation of opinion and judgments inside and outside of the party with a view to developing specific alternatives to the capitalist crisis policy. Consequently communists and other progressive persons who are inspired in part by our views have been able to

proceed from a greater force of argument, and this has reinforced the depth and political force of the mass movement.

A start has been made toward broadening our training, study, and research and tailoring it more to the needs of party members and activists. In this light the training approach must be improved, and the work toward a new start (such as week-end and summer training) must be accompanied by great attention to continuity.

In spreading our views among the masses it is essential to work and recruit with our daily DE WAARHEID. Any stagnation in this field must be overcome.

Without DE WAARHEID the development of new coalitions and the achievement of break-throughs in principal political fields would not have been possible. The paper inspires people by setting our party's ideas against the capitalist crisis, and functions as a pacesetter and platform for discussion among people who jointly give shape to coalitions.

Particularly at high points of social conflict, the organizational force of DE WAARHEID, too, proves to be a link that binds people together in conflict and mutual solidarity. The daily appearance of DE WAARHEID is due to the great generosity of the subscribers and all those who wish the communist press well.

The congress calls upon the party to continue the financial campaign for the new press and a new building in an offensive and optimistic spirit and thus guarantee the continued publication of DE WAARHEID.

8815
CSO: 3105

DESIRE FOR BOURGEOIS PARTIES COALITION GROWS

Oslo AFTENPOSTEN in Norwegian 15 Mar 80 p 3

[Text] The bourgeois coalition parties' voters expressed unequivocal opinions on the coalition question. They demand that the Conservative Party, Christian People's Party and the Center Party form a government after an election victory in 1981. There has never been a doubt about this position among the voters, even though the Center Party "has an unfortunate ability to get itself repeatedly involved in new debates on coalition," to borrow the words of a former party chairman, Dafinn Varvik. "Form a government!" is the clear answer from 82 percent of the Center Party voters.

The Norwegian Opinion Institute asked the question concerning the voters' desires for a coalition in a recently conducted poll. The question was: "Would you like to see the Conservative Party, Christian People's Party, and Center Party form a government together if they get a majority in the Storting elections in 1981?" This is how the voters replied:

	Habitation				Political Party						
	Total	Town	Urban area	Rural Area	Labor	Conservative	Christian People's	Socialist Party of the Left	Liberal	Center	Others
Yes	51	52	54	50	22	85	83	16	49	82	45
No	41	40	37	44	74	11	10	84	40	13	40
Don't Know	7	8	8	6	5	4	7		11	5	14
Total	100	100	100	100	100	100	100	100	100	100	100

Although the coalition debate has been going on for several years, with a short pause following the Center Party's congress last year, the question always comes up as to how the doubts which the party itself continuously raises affect the voters' confidence in a coalition alternative.

The question asked by the Norwegian Opinion Institute was: "Do you believe that the Conservative Party, Christian People's Party, and the Center Party are going to form a government together if they get a majority in the Storting elections in 1981?" The voters replied:

	Habitation				Political Party						
	Total	Town	Urban area	Rural area	Labor	Conservative	Christian People's	Socialist Party of Left	Liberal	Center	Others
Yes	69	71	72	64	62	82	83	62	70	68	63
No	24	21	24	28	32	15	15	35	23	25	26
Don't Know	7	8	4	7	6	3	3	3	8	7	10
Total	100	100	100	100	100	100	100	100	100	100	100

It is not surprising that the Center Party's voters seem somewhat weaker in their confidence than in their desire to see this party fulfill the obligations which are implicit in the adopted coalition assurances. Just that doubt-forming debate, brought on by forces which have never wanted to accept political influence through cooperation and would rather have political isolation, has weakened confidence in the Center Party's real desire to assume responsibility. Others have constantly been blamed--politicians and, of course, the press--for supposedly having created this crisis of confidence. Now NATIONEN, in which the former party chairman and cabinet minister Dagfinn Varvik is writing, has come to the clear conclusion: "It does not help that party Chairman Johan J. Jakobsen has never explained the party's firm decision. Again and again someone comes up with another--and supposedly better--formula for how the party shall conduct itself on the question of a coalition." And Varvik continues, in a commentary which contains a scorching criticism of party members who are opposed to coalition: "Opinion polls seem to confirm that a majority of the people want a nonsocialist government alternative. The Center Party has a coresponsibility for making that alternative credible in the voters' eyes. That should prove that the election in 1981 can give a nonsocialist majority and therefore the basis for a new government."

After the above opinion poll, it is definite that those who undermine confidence in the Center Party will find only 13 percent of the party's voters agree with them.

During recent years, the Liberal Party has tried to act the role of a wild card. Instead, it has become a game in which the questions are asked but not answered. The opinion poll from the Norwegian Opinion Institute shows that the voters--naturally--are definitely in doubt as to whether the liberals will support the bourgeois or the socialist parties. Forty-four percent of those asked think that the liberals will support the bourgeois alternative, 42 percent think that their support will go to the Labor Party government, and 14 percent do not know. A majority (54 percent) of the Liberal Party's own voters believe that the party will support the bourgeois, but as many in the Labor Party (56 percent) as in the Socialist Party of the Left (55 percent) believe that the liberals will swing over to support a Labor Party government. The Conservative Party (54 percent), Christian People's Party (59 percent), and the Center Party (61 percent) expect that they can draw support from Hans Hammoan Rossbach's little cadre if, unfortunately, the election results give the swing position to the Liberal Party.

9287
CSO: 3108

POLL SHOWS BOURGEOIS PARTIES' EIGHT PERCENT IN LEAD

Oslo AFTENPOSTEN in Norwegian 22 Mar 80 p 3

[Text] After a strong surge a ..ad for the bourgeois coalition parties, the Conservative Party, the Christian People's Party, and the Center Party together show an electoral support eight percent higher than the Labor Party and the Socialist Party of the Left, according to the Norges Markedsdata's barometer for February.

The Conservative Party made a specially noteworthy advance of 2.2 percent from the January measurement. Erling Norvik, chairman of the Conservative Party points out: "A single measurement of opinion gives a poor basis from which to draw certain conclusions. But in isolation there is reason to note the obvious concentration of bourgeois votes for the three coalition parties, while the socialist parties are in retreat down the entire line. And," adds the conservative chairman, "it is, of course, good to see that the conservatives have a lead of 30 percent."

Altogether, the February measurement gives the three bourgeois coalition parties 49.6 percent of the vote against the socialist block's total count of 41.5 percent. Also the Christian People's Party this month notes an advance of 1.2 percent, while the Center Party advances somewhat less and is up from 6.7 to 7.2 percent. The Labor Party dropped 1 percent, and the Socialist Party of the Left dropped 0.9 percent.

(1) Stortingsvalget 1977

(2) Stortingsvalget 1981

	(3)													
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
RV	0.6	0.6	0.4	0.5	0.7	0.6	0.6	0.5	0.6	0.6	0.7	1.0	0.8	0.6
Ap	42.3	38.0	38.1	38.6	37.0	37.6	37.1	38.3	38.3	38.0	38.3	37.2	37.1	38.8
SKP	0.4	0.6	0.5	0.3	0.6	0.7	0.4	–	0.3	0.3	0.2	0.5	0.5	0.4
SV	4.3	4.9	5.6	4.9	4.8	4.4	4.7	4.4	5.0	4.9	5.9	4.5	4.8	3.7
	(4)													
	47.3	43.1	40.8	43.4	42.9	46.3	43.0	43.4	43.8	43.3	43.5	43.5	43.7	43.5
Frp	3.8	3.7	3.3	3.8	5.1	3.8	3.3	3.8	3.9	3.4	4.8	3.8	3.3	3.3
DNF	0.4	1.0	1.0	1.1	0.7	1.3	1.2	1.2	0.9	0.7	0.6	0.8	1.2	0.9
Høyre	24.3	32.7	34.7	32.0	33.4	28.4	30.2	28.7	28.0	28.9	28.2	27.9	29.2	29.6
Kr.F	12.4	11.9	11.1	12.2	11.4	12.2	11.7	10.1	11.0	11.3	10.3	11.0	11.0	12.0
Sp	6.6	7.2	7.7	6.8	7.5	7.5	7.9	8.8	7.7	8.8	7.8	8.1	6.7	7.3
V	3.3	3.3	2.3	0.7	0.9	3.5	4.3	3.3	3.5	3.8	5.2	4.5	3.3	4.3
Andre	0.3	0.4	0.2	0.4	0.8	0.4	0.2	0.8	0.2	0.3	0.5	0.4	0.8	0.3
Sum	100.1	100.0	100.7	100.1	100.1	99.9	100.0	99.4	100.1	100.6	100.0	100.1	100.0	100.0
Over sin partis preferanse	(5)	1001	1412	1301	1330	1356	1208		1308	1210	1309	1148	1270	1301
Antall intervjuer	(6)	1500	1700	1607	1502	1609	1571		1600	1600	1604	1209	1507	1601

(1) Spørsmålene formuleres ved at hvert parti er vekt mot stortingsvalget 1977. Beregnede statistiske tilfeldighetsfeil kan være av størrelsesorden på 3 % for størrelsesordeler opp til 10 %, ca. 2 % for størrelsesordeler på 10 – 20 % og opp til 1 % for høyere størrelsesordeler.

(2) Intervjuperioden ble utført i perioden 25 febr. – 10. mars

Oslo, 31. mars 1981

NORGES MARKEDSDATA A/S

Key:

1. Storting election Sept. 1977

2. County board elections Sept. 1979

3. RV ..... Radical Left
   Ap ..... Labor Party
   NKP..... Communist Party
   SV ..... Socialist Party of the Left

4. Frp..... Freedom Party
   DNF..... People's Party
   Hovre.... Conservative Party
   Kr. F.... Christian People's Party
   Sp ..... Center Party
   V ..... Liberal Party
   Andre.... Others

5. Answered party preference

6. Total number of interviews

7. The barometer result for each party is weighed against each party's election result in 1977. The calculated statistical limit of error can be on the order of 3 percent for votes near 30 percent, about 2 percent for votes from 10 - 20 percent, and near 1 percent for lower votes. Interviewing was done during the 13 Feb - 10 Mar period.

9287
CSO: 3108

CENTER PARTY CHAIRMAN PLEDGES COALITION DESIRE

Oslo AFTENPOSTEN in Norwegian 17 Mar 80 p 3

[Text] The Center Party will work for a nonsocialist majority and a coalition government after the election in 1981. The party chairman, Johan J. Jakobsen, has again spoken out with these assurances, after a debate in the Center Party. Jakobsen, in a speech to the party's central committee, said Sunday that for different reasons demands had arisen that the Center Party must declare its position on the coalition question. "I do not believe that those who have demanded a 'clarification' are in doubt about where the Center Party stands," he said.

Johan J. Jakobsen said: "Nothing has happened to change the line which the party has adhered to for many years and which, without doubt, has broad support in the organization: That the Center Party will work for a nonsocialist majority in the Storting, and that we are ready to take our part of the responsibility in establishing a nonsocialist government within such a majority.

"It is undeniably comical when the Labor Party press demands greater clarity from the nonsocialist side," continued Jakobsen. "The government party's policies in recent years have to a conspicuous degree been full of confusion and lacking in clarity. The government fumbles along across the political terrain without goals or reason, and nobody knows who will lead the country's largest party through the 1980's. But the demand for clarification from others is obviously a tactic to focus attention away from their own problems.

"The Center Party will always do its duty to its voters to bring the party to positions which give the greatest possible opportunities for influence. But a government in which the Center Party will participate must clearly adhere to policies with which we can go along and accept responsibility for. That naturally applies to all other parties which would participate in a coalition. None can demand clarification of all questions before the election. When the demand for clarification comes from spokesmen for the

Labor Party, there is reason to take it with great composure. It appears neither honest nor confidence-inspiring to demand that political opponents clarify their lines, when the Labor Party itself is torn apart with internal dissention, not giving any hint of how they plan to meet the challenges of the 1980's."

In his speech, Jakobsen maintained that when the new nation of Zimbabwe becomes independent in a short time, Norway should establish an embassy in Salisbury as an opening in strengthening Norwegian representation in southern Africa.

In addition, the Center Party chairman spoke of district politics and pointed out: "A powerful effort is needed in the most remote districts in our country so that bias will not continue to grow. The speech from the throne warned of new regional developments and district politics. The history of the Center Party dictates that we must become fully engaged."

9267
CSO: 3108

PAPER LOOKS AT POLLS' MEANING FOR 1981 ELECTION

Oslo AFTENPOSTEN in Norwegian 17 Mar 80 p 2

[Editorial: "Yes to Cooperation"]

[Text] The bourgeois opposition parties are continuously getting new confirmation of what the nonsocialists expect of them when it comes to the dominant political questions in today's Norway. In spite of the differences and variations in opinion among the bourgeois parties, a clear majority of their voters desire that the Conservative Party, the Christian People's Party, and the Center Party should combine to form a vigorous nonsocialist government alternative. This attitude was manifested again in an opinion poll conducted by the Norwegian Opinion Institute for AFTENPOSTEN.

An overwhelming majority of supporters of the bourgeois parties desire that the Conservative Party, the Christian People's Party and the Center Party should form a coalition government if they get a majority in the Storting election in 1981. And what should be noted first is that the desire for cooperation is just about as strong and as broad no matter which of the three parties one belongs to. According to the opinion poll, the idea of a bourgeois three-party government has the approval of 85 percent of the Conservative Party, 83 percent of the Christian People's Party, and 82 percent of the Center Party. Yes, even among the leftwing there is a clear majority (49 to 40) who believe that the three parties should seek a binding government cooperation. How the Liberal Party would eventually react to such a government nobody--naturally--knows, even though 44 percent of those asked thought that the liberals would support a bourgeois alternative, while 42 percent thought that the liberals would prefer a Labor Party government.

Against the background of the Norwegian Opinion Institute's poll--which confirms what earlier studies have shown--it is known that there are many who do not appreciate the activity which is now taking place in certain bourgeois groups. In the first place there is a small group of Center Party officials who apparently see it as their job to cast doubt on their party's attitude on cooperation and thereby weaken confidence in bourgeois cooperation generally. Next, there is the matter of a few politicians, especially in the Center Party and the Christian People's Party who both nationally and locally seem to have adopted a rather tasteless extortion tactic in an attempt to advance their own political goals. In unblushing reversals they let us understand that in case other parties in a coalition are not entirely willing to dance to their tune, then they are not willing to "cooperate." That shows that they do not understand the basic fundamentals of cooperation. Political cooperation means that one must be prepared to give and take--one starts from the beginning with the respective parties' programs and seeks freely to progress

to common solutions. If one enters a cooperation with demands sounding like ultimata, stipulating that his own viewpoint shall prevail unchanged, then he does not belong in a cooperative arrangement.

What the opinion poll shows is that an overwhelming majority of bourgeois electors desire a nonsocialist government alternative based on open and trustworthy cooperation. A power shift in 1981 is the primary goal, more important for the people than any other political consideration. The bourgeois parties should take cognizance of this.

9287
CSO: 3108

NORDLI ADMITS NEED TO GAIN SUPPORT OF BOURGEOIS PARTIES

Oslo AFTENPOSTEN in Norwegian 24 Mar 80 p 3

[Text] Elverum, 23 March. Prime Minister Odvar Nordli over the weekend again took the opportunity to point out the government's great need for a majority in the Storting, if necessary in coalition with other parties. "Seven years in the minority has brought about material fatigue.' The time can come when, in consideration of trust, one must demand a politically welded and unified majority," said the prime minister at the annual meeting of the Hedmark Labor Party here at Elverum over the weekend. "Soon it will be 20 years since the Labor Party had a majority in the Storting. The last 7 years we have had a minority government. In every situation, every day, we have needed support from other parties. In the course of these years, we have perhaps made a number of compromises which have been too great, so that the political contours and dividing lines have become obscure," said the prime minister.

Prime Minister Nordli said that the Labor Party must clarify its own policies, and that will happen in connection with the principle program. "Our principles will be as high as the roof and as wide as this hall, but there will be a roof and walls," said Nordli.

"The difference between the Labor Party and a debating society is that eventually discussion must end and decisions be made. It is this part of the old lesson that perhaps many have forgotten. We are faced with large tasks, but we can handle them if we assemble our forces," said the prime minister.

Prime Minister Nordli said that the bourgeois parties have a "thin" government program, the only goal of which is to wrest governmental responsibility from the Labor Party. The Center Party talks about a "green" society, guided technology, and utilizing resources correctly. That is all well and good, but are they going to do that together with a Conservative Party which has become more conservative than ever? It is when they try to accomplish that kind of magic that they fail, said Nordli.

The prime minister also said that he wished that there was not so much gloomy and timid talk about problems all the time, instead of talking about the possibilities which also exist. "We are one of the 10 richest countries in the world. We have problems which must be solved, but we can solve them better than anyone else. We shall not beg forgiveness for our history and for having smokestacks on our posters, something which has given us the growth which has brought us where we are today. Therefore, we can now afford to invest in other things," said the prime minister.

As expected, the prime minister then discussed the military situation and emphasized that it is wrong when anybody says that the United States has "pressured" Norway for advance storage of military weapons. It is Norway itself which wishes that, so that in case the disaster happens we will be able to receive the assistance we require from our allies, he said.

"Not since Viking days have Norwegian weapons been aimed at any other country. What we wish is to be able to defend ourselves and protect our security and sovereignty in case somebody 'breaks into our house,," said Prime Minister Nordli.

"Advance storage of military equipment in Norway is compatible with Norwegian base policies, and it contributes to making our base policies credible. The eventual size of such storage in Norway will be so limited that it can not reasonably be considered a threat by any other country. It is just as clear that control of the storage will be a Norwegian responsibility and carried out by Norwegian personnel. No foreign personnel will be stationed in Norway in connection with advance storage," said the prime minister, who emphasized that obviously nuclear weapons would not be stationed or stored in Norway.

"It is disappointing and incomprehensible when the Soviet press conducts an extensive and persistent campaign against Norwegian security policies. This campaign is marked by distrust and suspicion, is built on incorrect information, and does not contribute to good neighborly relations," said the prime minister.

With 145 votes against 85, the meeting approved a resolution favoring advance storage of allied military material in Norway. This was a section in a longer statement about security policies. The remainder, containing criticism of the invasion of Afghanistan and the Soviet press attacks against Norway, was unanimously approved.

9287
CSO: 3108

NEW PEOPLE'S PARTY BECOMES LIBERAL PEOPLE'S PARTY

Oslo AFTENPOSTEN in Norwegian 21 Apr 80 p 5

[Article by Terje Svabo]

[Text] Despite a lack of voter support and nearly depleted finances, the New People's Party wants to continue to participate in Norwegian politics but under the name the Liberal People's Party (DLF). It was the party's national congress in Oslo last weekend that decided on this name change. Gerd Soraa from Trondheim was unanimously elected as new party leader to follow Ingvar Helle. At a press conference yesterday, any possible discussion of dismantling the party was characterized as irrelevant.

For the most part, the Liberal People's Party's national congress proceeded quietly, even though some individual delegates stated that the party is engaging in mediocre policies with generalized and nonbinding formulations. The national congress discussed a proposed statement of principles but did not deal with specifics.

Among other things, the proposal advocates direct election of the government and a change of the present election system to one-man districts. At the press conference, these ideas were described as interesting but it was emphasized that the party has taken no position on them. However, the party leadership was satisfied that the program committee had placed question marks after such "absolute truths."

The national congress approved several resolutions, all unanimously with the exception of one. With 28 dissenting votes, the congress passed a resolution to request that development of the Alta-Kautokeino Waterway be started. It was pointed out that this development is greatly needed to guarantee Finnmark sufficient electric power. It was also stated that the rights of the Lapp population must be secured and that the development must be especially careful with respect to encroachments against nature.

In another resolution, the congress expresses its satisfaction with the decisions by sports organizations not to participate in the summer games in Moscow. NRK (Norwegian Broadcasting Corp.) is encouraged not to transmit the games on radio or television.

At the press conference after the congress, the former chairman Ingvar Helle announced that the party has between 5 and 6 thousand members. He gave as his reason for withdrawing from the party leadership that it is impossible to combine the chairmanship with his position as principal of a Stavanger school.

At the national congress, not only Helle, but also the party's two vice chairmen, Hans Hjerpekjonn and Marianne Seip Haugsnes, withdrew from their positions. The newly elected chairman, Gerd Soraa, commented on the extensive shift in the top party leadership by saying that when you are plowing in the autumn rain, you must let the horses rest a while or replace them.

"At least if you want to make any progress--and we want to make progress. The new leadership is willing to shoulder the load together, because it believes in the party," Gerd Soraa said.

In an interview with AFTENPOSTEN's Saturday afternoon edition, the newly elected chairman stated that she believes women themselves should decide the abortion question. This position is not in line with the party's present program but it was announced at the press conference that abortion was not discussed at all at the congress. However, it will come up in connection with the working program for the coming session of parliament.

It is clear from the remaining resolutions that the DLF views the establishment of the Free Businessmens Association as a long-awaited and timely measure for the country's small and medium businesses. The party requests that the military air traffic on Fornebu be transferred to Gardermoen. Finally, the party wants to see the decisions that have been made concerning the equal status of the languages followed up and the necessary appropriations made in the national budget this fall.

Both Helge Seip and Ole Myrvoll are on the newly elected central board, which also includes Gerd Soraa, chairman, and Alice Ruud and Knut Isachen, vice-chairmen. Ole Myrvoll, Helge Seip, Einar Bjelland, and Berit Elise Einum are now members of the central board. Thea Kirschoff is chairman of the study association.

This past weekend, Gerd Soraa was unanimously elected new chairman of the Liberal People's Party.

9336
CSO: 3108

MAOIST PARTY INTELLECTUAL DISCUSSES PRC, DEFENSE

Oslo ARBEIDERBLADET in Norwegian 29 Mar 80 p 13

[Article by Ulf Renberg]

[Text] Tron Ogrim is the name of a man who accomplishes the difficult task of being rather sure that World War III (Johan Galtung would say World War IV) is on the way and at the same time possessing a trace of optimism for the future.

The AKP (Workers Communist Party) has been telling us for a long time that war is on the way and Ogrim is a central figure in the party. Developments in recent months seem to confirm that we are living in apocalyptic times. But still, the thought is unbearable for anyone who still has his senses. Perhaps the AKP members have lost theirs?

"Is a catastrophe necessary for AKP-ML's cards to fall into place, Mr Ogrim?"

"I do not want war. There is no difference here between you and me, or Finn Gustafsen and Per Vassbotn for that matter. But we try to look reality in the eye."

"The reality you speak of means total annihilation for hundreds of millions of people. Whole parts of the world will lie in ruins if your prediction comes true."

"I believe the war will be terrible but world war does not necessarily mean nuclear war. Hitler had gas but did not dare use it at the front. But even if the worst comes to pass the catastrophe will only be more complete if we give up. Just when the catastrophe is at its worst we must fight for organization and solidarity. If we sit down, everything will go to hell anyway. How do I survive with the prospect of world war? How does the worm survive with the prospects of being eaten by a bird? How do you survive?"

Apart from being a brewery worker, Ogrim is the author of one of last year's most discussed polemic books, "Marxism: Science or Religion of Revelation?" The debate over this book has continued into the new decade. In ARBEIDERBLADET, Olav Dalgard has spoken up for what is important in the book:

"Whether you agree or disagree, you get the feeling that the author's arguments are based on a deep knowledge of the problematics of Marxism in the social debate and social development of our time. It will not die out for a long time to come: the same conclusion that the theoreticians must arrive at." And the book is so open that AFTENPOSTEN's reviewer believes it is an example that should be followed by writers and politicians in other parties.

Actually, Ogrim is tired of the entire book. Not because it has received any great response. In DAGBLADET, Anfinn Stigen directed a number of questions toward the author. What does the revolutionary Ogrim actually mean when he talks about values, freedom, violence, and nonviolence?

"I have been offered the chance to answer, but I have trouble keeping it short," says Ogrim. But the answers will come.

"There are many questions the book does not answer. That was not my intention, either. The book was a kind of housecleaning for my own thoughts, of use for others both inside and outside the party. Someone must have found a use for it. It sold between 5 and 6 thousand copies. If I am tired of it, it is because I want to go on further.

Ogrim believes neither in God nor in Santa Claus and has constant discussions with his children over whether or not trolls exist. The children say no. Thus, a person must constantly reevaluate his beliefs. And this includes the belief that regardless of how much devilry the great powers cause for humanity, the forces of good will be victorious in the end.

"Socialism, you mean?"

"Yes, but not the socialism that promises a heaven on earth, even though there are plenty of people who believe such utopias are what we Marxist-Leninists are after. Nor do I mean social democratic deceptions or progress at a snail's pace, but a socialism that is based on analysis of the history of humanity."

"And you people have a perpetual patent on that analysis?"

"Marxists have made terrible mistakes. But the most important points have turned out to be correct. When it comes to world wars, there is certainly no one who needs them! But since it is threatening, we must arm ourselves. Not by hiding in the cellar or using nuclear weapons. What does Norway want with nuclear weapons? Would nuclear weapons have helped Afghanistan? We should do like the Yugoslavians. Fill the factories and offices and every mountain with weapons. Let the Soviet Union know that it can suppress us, at least for a time. But the entrance into our harbor will cost them more than they will want to pay."

"And what will trigger the catastrophe?"

"I believe it will come when the fire goes out in the Soviet hearth. When the oil is gone and the technology is insufficient. In short, when the domestic situation is untenable and the pressure from within against the political leadership becomes too great. If the Soviet Union takes Saudi Arabia, the United States must answer. For if the Saudi Arabian oil disappears, New York will freeze too. The world has become a plaything in the internal policies of the big powers."

"Who is crazy enough to press the button?"

"No normal Soviet citizen, in any case. Do you not think they remember World War II? No politician or general, either. But things will reach a point where rational thinking slips away."

"Why do you think we are not arming ourselves like the Yugoslavians?"

"A guerrilla defense would be too expensive. I do not think better than those in the defense leadership, but I am free. I am not sitting with an overall budget in front of me that needs a balanced defense budget in order to make ends meet. In that case it is cheaper to get under the nuclear umbrella and believe that help will come from other NATO countries. Is there anyone who really believes that this help will come?"

"I was expecting you to say that guerrilla defense system would threaten the bourgeoisie or someting to that effect?"

"There may be something in that, but a few thousand AKP members cannot make a revolution. The Norwegian people would not go along with that. A people makes a revolution when it believes the time is right. You have to be a dreamer to believe that we are in such a situation now. So the rightists can relax."

"How is your party doing?"

"Just fine, thank you. We are weaker at the universities but stronger at the work places--and in the elections. We are not very large and we do have some problems but we have many able people, so we are making progress all the same."

"And your book was well received by your fellow party members?"

"Yes and no. Some agree with me and others do not. Some agree with part of what I say, others do not like my style, etc. I suppose the most important aspect of the book is as a contribution to the debate on Marxism in the party."

"Your party is standing by China. I ask along with Anfinn Stigen: Why would what the Chinese communists say about a certain country create problems for what the Norwegian AKP thinks about that country, namely Albania?"

"He has a point there. That is something I am trying to figure out, myself. But I believe it really is important for Norway what one fourth of the world's population is doing. As far as Mao is concerned, he was far from being any god. But he sat on top of a mastodon. He had insight and led the greatest revolution in the history of the world for 50 years.

"When it comes to paying tribute to Beijing, that is probably due to old communist traditions, the belief in the great, international centers in the movement. We have not escaped that. And in this we are joined by most of the other parties. Others have done this more than we have."

"You speak of war, but your book is accused of superficial treatment when it comes to terror perpetrated by regimes supported by AKP."

"I admit that the part of the book that takes up this question is the weakest part. I plan to give a more thorough answer to this criticism and to criticism dealing with concepts of freedom and democracy under socialism. That will come when I have had a chance to think it over."

"You are an advocate of the parliament of the streets?"

"I certainly am, but not in the understanding of this concept found in the bourgeois press. I have faith in the use of complete democratic rights by the conscious masses."

"Not everyone is so enthusiastic about socialistic consciousness."

"This is because most people equate socialism with the state capitalism in the Soviet Union and Eastern Europe. But even during the time when they were really on the path to socialism, many injustices were perpetrated in these countries. Working people reacted to many terrible things. This includes the communist tradition of almost blind loyalty to the international centers, which have caused communists to carry out incorrect policies with respect to the workers in their own countries.

We have also made mistakes and will certainly make more. But we are seen as rather orderly people, are we not? When the Labor Party leaders lose contact with the ground beneath them, I believe it is because they have distances themselves from the common people. What kind of salaries do these politicians have who talk about tightening the belt? I believe we still have good contact. When people are afraid of us it is hardly due to fear of armed revolution, but to distrust of anything that smaks of ideas and philosophies. Common people have been tricked too many times. There is no reason for them to cast themselves into our arms, just like that."

"I have heard that your party uses Marxism like meteorologists use meteorology."

"Marxism is not the world. It is a science that deals with society, a tool to learn about reality. If reality tells us something different than

Marxism, it is Marxism that is wrong. Thus, it is not static but must change with the demands of the time, like all tools. All working people know that tools undergo development."

"Still, Marxism cannot force the world to become socialistic, can it?"

"No, but it can help us understand what it is in capitalism that will destroy it. Capitalism is deathly ill. This is inborn and incurable."

"We know from experience that water flows downward. Physicists tell us about gravity, which causes this to be true. Marxism shows us that human history is like a river on its way to the sea. The sea is the end of class oppression. Marx called it communism. Socialism is the last stretch before the river comes to the sea."

"But now in 1980, I do not know exactly what form socialism will take in Norway. It is one thing to say that water flows downward but it does not mean that one knows the map of all the world's rivers. The rivers will certainly make a number and a variety of bends. Perhaps they will be dammed up, too. Who knows, maybe every socialist country in the world will return to capitalism for a time. But the world has come a step farther, nonetheless, for knowledge of something different has been sown. It will be used. In the end, the river will reach its goal," says Ogrin.

9136
CSO: 3108

NONSOCIALISTS, SOCIALISTS SPLIT OVER LONG-RANGE DEFENSE PLAN

Defense Minister: Debate Good

Oslo ARBEIDERBLADET in Norwegian 8 Apr 80 p 6

[Article by Per Brunvand]

[Text] "I believe most people in our country who are involved in foreign and security policy keep in mind constantly that we must never again have a 9 April as in 1940. Foreign policy as well as defense and security policy contain different elements today than in 1940 but the tasks are just as serious."

These are the words of Defense Minister Thorvald Stoltenberg. In connection with the 40 year anniversary of 9 April 1940, ARBEIDERBLADET asked the defense minister about the differences between our defense today and in 1940.

"The main difference between 9 April 1940 and 1980 is that today a united people stands behind our defense. I know of no other country where over 90 percent of the population supports its own defense in the way we do. In actuality it is that fact, too, that provides us with the greatest security."

"You mention that before you bring up our NATO membership?"

"Yes, I do. For I believe that the significance of the alliance lies primarily in the support of the Norwegian people for it. At present, over 80 percent of the population supports Norwegian membership in NATO. This means that support for NATO in our country has never been so great as it is right now. This is a fact that I am happy about. It would be an unsatisfactory situation indeed if our membership in the alliance did not enjoy such broad support as it does."

Something To Defend

"Why do you believe the position of defense is so strong here?"

"I believe, among other things, it is because throughout the entire postwar period the relationship between the defense and the people has been greatly

emphasized. We have a society that everyone feels is worth defending. In addition, we realize more and more--this is especially true of the younger generation--that Norway cannot be self-sufficient but that we are also a part of the world around us. We cannot hope to remain outside a possible new large-scale war. This is one experience we gained on 9 April, 40 years ago. As a result of this, we realize that even if it is Norwegians who will defend Norway, in a possible conflict we will have common interests with our allies."

Defense And Society

"I think we have also learned that peace must be defended. This is not self-evident. Thus, security is a broad concept. Having a good defense is only part of it. Security also has to do with having a sound economy, full employment, and an approximately even distribution of goods in society. But security also means making our contribution toward breaking down the gross injustices between poor and rich nations in the international community. Last but not least, it is part of our security policy to contribute to arms control and disarmament."

"It is important not to look at defense as something unrelated to the things I have mentioned. In that case, the entire matter could seem meaningless and incomprehensible to many people."

Norway And Afghanistan

"This 9 April it is probably natural that the thoughts of many people are turning to what has happened in Afghanistan. Is there reason to believe that something similar could happen in Norway?"

"I reject any comparison between the situation in Afghanistan and in Norway. Politically, historically, economically, and socially the situation in Afghanistan before the Soviet invasion was completely different from the situation in Norway. I have already touched on some of the more important points: we have a society that the entire populace believes is worth defending and we belong to a defense alliance that considers an attack against us to be an attack against the entire alliance."

"Do you not feel that the many attacks in the Moscow press are a potential threat to our security?"

"No, but I do believe it is important and very meaningful that, through what has happened, we have corrected the false information that has appeared in some press commentaries from Moscow."

"Parliament will discuss defense on 17 April. One point of contention is the question of increases in the defense appropriations in the coming years. Are you afraid the discussion could weaken the support and unity with respect to our defense?"

"No, not really. Actually, a discussion of whether defense appropriations shall experience a real increase of 3 or 4 percent is somewhat of a luxury. Clearly, what is to be feared is that the parliamentary debate will be so concentrated around these figures that we lose the informative value that such a debate otherwise represents for our defense. The responsibility here lies with both the ruling party and the opposition. It is a responsibility that I hope will be taken seriously," Defense Minister Thorvald Stoltenberg says.

Majority Wants Four Percent

Oslo AFTENPOSTEN in Norwegian 18 Apr 80 p 5

[Article: "Regrets Labor's No To Defense Effort]

> [Text] To strengthen the defense is to prevent the greatest calamity that can befall us, Toralf Westermoen, Vest-Agder, of the Christian People's Party stated yesterday as parliament debated long-range defense planning. Norway's defense is a safeguard for our national values and our national liberty and independence and I appeal to the government to increase the 1981 budget by 4 percent. We must demonstrate the will to secure the right to be masters of our own house. The Labor Party, he emphasized, agrees with our goal and intentions but does not want to make the economic effort that is a prerequisite to reaching the goal.

On the other hand, Westermoen said it was wrong to characterize any one fraction on the committee as friendlier to defense or to peace than the other. "However, I do wish to state that there is a regretable distinction in the realistic evaluation with respect to the chances of carrying out the things we agree on."

The speaker was referring to the percentage dispute which, in part, dominated the debate yesterday and which has as its origin the fact that the nonsocialist majority in parliament's defense committee supports a 4 percent increase, while the Labor Party, the minority, is satisfied with 3 percent. The majority in the committee is of the opinion, among other things, that long-range defense planning cannot be dependent on short-term economic trends.

However, Prime Minister Odvar Nordli explained:

"In Norway, defense is part of society. It is not outside or above it. This means that the economic conditions must adapt to the economic situation the country finds itself in. To demand that the needs of defense be evaluated independently of the economic situation is to demand that the defense be set outside society," he said.

Conservative Kare Willoch, Oslo, did not wish to refute the significance of such arguments but, he continued, while the economic outlook seems bleaker than when the government worked out its plans and when the defense commission

was working on the problem, one cannot fail to see that the need for defense is even clearer than when the commission presented its report. He also said it was doubtful to count on being able to make up later what is neglected in the next few years and he raised--"for additional consideration"--the question of whether this was not one of the few areas where oil price rises have actually improved the possibilities with respect to what the government seems to have been counting on.

Paul Thyness (Conservative), Oslo, added: "In spite of Soviet arms buildups, which have affected our defense situation significantly, not one defense budget since 1970 has fulfilled the economic conditions set forth in our long-range defense plan. This has led to the accumulation of needs, but the budgets taken up after the defense commission presented its report have indicated lower increases than those necessary to compensate for this. The government and Labor Party plan is for this to continue!

For his part, Gro Harlem Brundtland (Labor Party), Oslo, stated that the Labor Party's clear line and position on defense policy remains firm. Defense is given a high and special priority--but it must be seen as an integrated part of our overall social planning. Defense Minister Thorvald Stoltenberg described a 3 percent increase as a realistic condition for long-range defense planning. We will continue to renew our material at a reasonable pace, he said, and look our allies in the eye as a reliable alliance partner.

Defense committee chairman Per Hysing-Dahl (Conservative), Hordaland, emphasized that it is concrete actions accompanying our defense budget that determine the degree of our defense's credibility. "There is no doubt in my mind that approval of the defense commission's recommendation for a 4 percent increase, with the economic consequences this entails, will mean a considerable increase in the credibility of our nation's defense."

"When the Labor Party fraction first came to the conclusion that the defense commission's intentions should be carried out," said Johan J. Jakobsen (Socialist Party), Nord-Trondelag, "a different conclusion could have been expected with regard to the economic framework." But Geirmund Ihle (Labor Party), Rogaland, pointed out that an additional increase, plus the fact that we already have defense appropriations among the highest in Western Europe, may endanger some people's unity and support of the defense policy and ambitions we have chosen."

Stein Ornhoi (Socialist Party of the Left), Oslo, advocates a totally alternative defense based on withdrawal from NATO, an increased home guard defense, a nonviolent defense, and a civil resistance force. "This type of overall defense," he said, "will cost just half of our present military expenditures."

The Labor Party also contains a small group that has a concept of defense policy that differs from the majority in parliament. Ingerid Eide, Oslo, is one of them and she characterized the debate as an invitation for a substantial Norwegian contribution to the arms race.

The Liberal Party line on defense policy was drawn by Hans Hammond Rossbach, More and Romsdal: "The Liberal Party wants a strong and credible defense, a readjustment of defense with the emphasis on greater mobility, greater decentralization, a higher mobilization capability in Norway and a greater capacity to defend the entire country. We want to give higher priority to our naval forces," he said. "As far as the Liberal Party is concerned, we are prepared to pay the price that such a total defense requires," Rossbach said.

Coast Guard Development Program

Oslo AFTENPOSTEN in Norwegian 18 Apr 80 p 5

[Article: "Coastguard in New Waters?"]

[Text] A Norwegian zone around Jan Mayen may lead to adjustments in the coastguard's present development program and it may raise questions about building harbors for the coastguard on Jan Mayen. It was the defense committee's vice-chairman Per A. Utai (Labor Party) who indicated this yesterday during the parliamentary debate on long-range defense planning. He emphasized, however, that it is still too early to say anything definite about this. Experience must show if the Jan Mayen question will require additional strengthening of the coastguard, he said.

Several speakers brought up the role of women in defense. Gunvor Schnitler (Conservative), Sor-Trondelag, regretted that the long-range plan has no recommendations for broadening the scope of service for women. "Nevertheless," she said, "I hope that in the future more women will become interested in working in defense and in receiving instruction at military schools. Kirsti Grondahl (Labor), Buskerud, stated that it was a misguided struggle for equality to suggest or demand military service for women, while her fellow party member Liv Stubberud, from Ostfold, requested during the debate that an evaluation be made as soon as possible of the feasibility of accepting women at the armed forces flight training school.

Defense Minister Thorvald Stoltenberg stated that the question of military duty for women has come up and he said it is a matter with many aspects. "I believe," he said, "that all parties are best served by taking time to evaluate this question."

The minister also commented on the defense's greatest personnel problem, namely replacing the unusually high departure rate among officers during the eighties, which is primarily due to the retirement age. In recent years it has turned out that a greater number than anticipated have chosen to retire early. Together with an intentional use of retirement at reduced pay for officers, this means that some retirements are occurring earlier and they are spread out over a longer period. In recent years, the training quotas have increased and this means that in the future the loss of officers does not represent as great a problem as we previously thought, Stoltenberg said.

Olaf Oen (Labor), Buskerud, also took up officer training and advocated a reevaluation of the training program with an eye to excluding subjects already found in civilian schools. In this way, he said, the instruction period at officer training schools could be reduced in a natural manner.

Oen also hoped that there would soon be an answer to the question of whether there would be further development of Norway's Penguin air-to-sea missile for the F-16. He also emphasized the importance of taking the place of work into account in connection with contracts for material procurement.

Both Mrs Schnitler and Johan J. Jacobsen (Socialist), Nord-Trondelag, took up the situation of the home guard. Jakobsen wished to see greater emphasis on the need to invest in the home guard and Mrs Schnitler stressed that the home guard must be given sufficient serviceable material.

The Liberal Party's parliamentary leader, Hans Hammond Rossbach, More and Romsdal, emphasized that today's civil preparedness seems unsatisfactory and that this apparatus must be strengthened on the commune and county level.

Chemical Weapons

Oslo AFTENPOSTEN in Norwegian 18 Apr 80 p 3

[Article: "Chemical Weapons Rejected"]

[Text] The government urgently requests the great powers to increase efforts toward reaching an agreement for preventing the development, production, and storage of chemical weapons, Defense Minister Thorvald Stoltenberg stated yesterday during parliament's defense debate. And Prime Minister Odvar Nordli added: the government sees with concern the fact that the Eastern countries--in addition to nuclear armaments--also have large chemical weapons capacitites, which can lead to a renewal of the arms race.

Defense Minister Stoltenberg emphasized that, of course, chemical weapons will not be stored or stationed in our country. Both also addressed the question of certain advanced storage of equipment for some of the forces that can conceivably be sent to Norway in an emergency situation. The prime minister stated in this connection:

"The question has been the object of studies, together with allied authorities, but so far there have been no negotiations or agreements. In this regard, I want to emphasize that any possible advanced storage in Norway will occur under Norwegian control. Maintenance will be carried out by Norwegian personnel. No allied personnel will be stationed in Norway in connection with possible caches for allied forces. The extent will be limited and the placement and composition of possible caches will emphasize our defensive intentions.

In his main speech, the defense minister also turned to the cynical manner in which the forces of Major Haddad had bombed the headquarters and our hospital in Naquira, Lebanon:

"We take this type of action very seriously and have taken up the matter with Israeli authorities. It is the United Nations that will decide on the continued tasks of the forces and we are following developments closely."

The vice-chairman of the defense committee, Per A. Utsi (Labor), Finnmark, also commented on developments in Lebanon. He stated that if the parties do not demonstrate the will to maintain peace and security in the area, then the basis for the role of UN forces is no longer present.

Chairman of the defense committee Per Hysing-Dahl (Conservative), Nordaland, said he does not doubt that the collective defense system in the West would work if our country should be attacked. "But," he stressed, "I strongly caution against the thought that the defense alliance can free us from our own duties and our own efforts to maintain and improve our defense capabilities. Thus, it must again be stressed that effective allied help to Norway in an emergency situation is totally dependent on our making it possible through our own efforts to receive and use such help. This means not only advance storage of material, which in itself is a positive measure and a clear realization that the condition of our sea and air forces has changed the entire picture with regard to reinforcement. This applies to just as great an extent to making our own Norwegian forces capable of withstanding an attack until allied help can arrive. We must be capable of securing the apparatus for receiving help and maintaining communications and this applies first of all to defending our airfields," Per Hysing-Dahl stated.

Services Cut Strength

Oslo AFTENPOSTEN in Norwegian 17 Apr 80 p 12

[Article by Knut Falchenberg]

[Text] The country's defense is quietly cutting its strength. This year, each of the three largest service branches must manage with several hundred soldiers fewer than normal. Lack of funds is forcing the army to cut back on recruit training this summer and in Bodo a rifle company is being shut down. In southern Norway, the air force will have decreased possibilities of maintaining normal preparedness and the navy, among other things, is eliminating the need for 30 servicemen by converting two corvettes to purely instructional ships.

Officers in charge at defense headquarters tell AFTENPOSTEN that they have received a number of communications from military units that fear the reductions will affect the tasks they have been assigned to carry our.

The background to the reductions is that this year's defense budget states that soldiers' total service time must be reduced to free money for other

important defense purposes. Among other things, this means transferring soldiers to the home guard before they have served out their entire first period of duty. In addition, some young men will receiv extraordinary transfers to the civil defense without first undergoing any military training.

Company To Become Platoon

At the army staff, AFTENPOSTEN was informed that in 1980, 160 thousand service days would be saved. This will be done, among other things, by transferring 250 soldiers to the home guard after 3 months of basic training. Normally, these forces would have served an additional 9 months at army units where, even without such reductions, there are personnel shortages.

A rifle company, whose task it is to defend Bodo air base, is currently being dismantled and converted to a platoon. In this way, there will be a savings of 100 men.

Additional savings in service time will be made when in July the army will postpone the start of recruit training for the infantry and artillery by 2 weeks. In this way, basic training for about 3,500 men will be shortened by 2 weeks.

NIKE Bataloion Affected

In the air force this year, around 103 thousand "soldier-days" will be saved. This will be done by transferring 200 men who would normally be drafted into the air force directly to the civil defense. In addition, 160 soldiers will be sent to the home guard after 3 months of basic training. This means the air force staff will have as many as 360 fewer soldiers to send out to the various units. This low figure has already led to complaints from air bases. Calculations that have been made indicate that units in southern Norway will have, on the average, a 10 percent lower chance of maintaining their preparedness. Hardest hit by the troop reductions is the NIKE batallion on Ostlandet.

Corvettes To Be Training Ships

In 1980 the navy will save 91,500 service days, which corresponds to a year's work for 252 soldiers. This will include sending 80 men to the civil defense instead of the navy. A total of 22 soldier-years will be eliminated from the staffs and joint institutions. A force of 22 men will be removed from the naval defense districts and 97 men will be removed from the naval defense districts and 97 men who have so-called "redundant" positions will be demobilized if they so request.

The navy has also decided to convert the two corvettes "Sleipner" and "Aegir" to training ships. Previously, these ships have been used partly as training ships for officers who intend to make a career of the military and partly for normal military missions. Even if the vessels become permanent training

ships this summer, all weapons systems will remain onboard. However, the change will mean a savings of 15 sailor draftees per ship.

According to AFTENPOSTEN's information, it was feared for a time that it would be necessary to lay up a frigate to achieve the necessary savings. It is now believed that this can be avoided but it is still uncertain whether the navy can manage to save the necessary number of service days in 1980.

As far as possible, all service branches are taking the opportunity to demobilize soldiers 2 weeks early.

Mine-Sweeping Exercise

Oslo AFTENPOSTEN in Norwegian 17 Apr 80 p 12

[Article by Knut Falchenberg]

[Text] On Monday, a Norwegian "mini-armada" set out for Danish waters where these seven naval vessels with 250 officers and sailors onboard will participate in NATO's "Blue Harrier" exercise. The exercise will provide training in setting out, detecting, and rendering harmless mines of various types. Next week, while this exercise is still underway, another NATO exercise will begin in which the navy's torpedo-missile boats will sharpen their skills.

The mine-sweeping exercise is taking place in the Great Belt and Kattegat through 30 April. Ships from Denmark and West Germany are participating, together with the multinational fleet from the English Channel--STANAVFORCHAN.

In addition to more traditional mine sweeping, there will be so-called "mine-hunting," which is relatively new to the Norwegian navy. To gain experience in this discipline, the KNM Tana has been rebuilt and given special equipment. While conventional mine sweeping proceeds by causing the mine to break loose or by "tricking" it into exploding with the help of sound waves or magnetic disturbances, the search for mines from the KNM Tana takes place in a different way. Here the crew uses sonar to track down dangerous mines. When the mine has been located, divers or remote-controlled boats are used to attach explosives that can render the mine harmless. This sonar searching technique is becoming more and more common since the Warsaw Pact's mines are becoming more and more sophisticated.

But even if mine defense in the Danish straights and belts is drilled and practiced, NATO must always live with the fear than an attacker could make it through and set course for southern Norway and the North Sea. To counter such a threat, ships from Norway, Denmark, West Germany, and Great Britain will begin the "Bold Game" exercise next week. For Norway's part, a large number of torpedo-missile boats will take part in this exercise, in which the ships will operate out of Kristiansand.

9336
CSO: 3108

LABOR PARTY, CONSERVATIVES MOVE TO INSURE NORTH DRILLING

Oslo ARBEIDERBLADET in Norwegian 14 Mar 80 p 7

[Article by Gunnar A. Johansen: "Parliament Gave the Starting Shot: Drilling in the North"]

[Text] Starting test drilling at Haltenbanken and Tromsoyflaket in 2 months has now been authorized. This became evident after the Labor Party and the Conservative Party obtained a majority in parliament yesterday for starting test drilling in the north this year.

The Liberal Party, the Center Party and the Socialist Left Party wanted a postponement for an indefinite time, while the Christian People's Party wanted the test drilling postponed for 1 year. Guttorm Hansen of the Labor Party strongly criticized those types of operations which are for the purpose of postponing parliament's decisions.

Hanna Kvanmo (Socialist Left Party) opened the debate by presenting a proposal about postponing the discussion of the proposal from the industry committee. The proposal which was presented by the Liberal Party, the Center Party, the Christian People's Party and the Socialist Left Party was rejected with 97 against 29 votes. The background for the proposal was that the Legal Department in the Department of Justice in a letter to the Oil and Energy Department has raised doubt about the legal ramifications involved in starting test drilling in areas where the fishermen have big interests. Oil and Energy Minister Bjartmar Gjerde rejected the objections against taking the case up now by referring to the fact that parliament twice previously has discussed test drilling in the north without any doubt having been raised about the legal background.

To a great extent the debate concentrated on to what extent our oil protection preparedness is adequate for starting test drilling now. From the Center Party, the Liberal Party, the Christian People's Party and the Socialist Left Party it was maintained that the government has eased up on the requirements for the oil preparedness. It was maintained that when parliament last time dealt with the test drilling in the north, expectations were held out for absolute requirements on the oil protection preparedness, but the government has now eased up on these requirements.

"The only conclusion which it is possible to draw from all available information about our highly praised oil protection equipment is that it cannot be used in the open sea even in the summer," said Hanna Kvanmo in the Socialist Left Party. She maintained that the government from one report to another has gradually reduced the requirements for safety and preparedness. Requirements which the government originally had indicated they would commit themselves to comply with. She received support from Johan J. Jakobsen in the Center Party and Hans Hammond Rossbach in the Liberal Party.

Environmental Protection Minister Rolf Hansen said that it had never been the condition that with the means one now has available one should be able to collect all the oil which might possibly leak out.

"It is the critics of the oil activity who have taken this point of departure. The government has all the time realized and also said so that we are here confronted with considerable limitations. That weather, wind and current conditions play a crucial role. The requirement the government's pollution inspection has set up for the preparedness of the oil companies have never been withdrawn or changed," said Hansen.

The environmental protection minister pointed out that there is professional disagreement on to what extent the preparedness will satisfy the requirements which have been made, but there are many indications that the preparedness will hardly be as effective as first assumed. "On the basis of an overall evaluation, the government still finds that the preparedness is acceptable for starting moderate prospecting activity in the north," said Hansen.

Oil and Energy Minister Bjartmar Gjerde said that one can never plan and prepare to completely eliminate any risks of incidents and accidents. In his opinion a requirement that all risks be completely eliminated would prevent any form of oil activity on the Norwegian shelf.

"The government has done everything possible to eliminate the damage effects during test drilling," said Gjerde.

Gjerde also emphasized that the proposal about starting the prospecting activity outside Trondelag and Troms/Vest-Finnmark is an expression of the government's will to strengthen and expand the economic foundation in these areas of the country. "In order to maintain and secure the settlement in these parts of the country, we must give the population in this part of the country secure and durable employment," said Gjerde, who believed that it was necessary to provide new jobs in this part of the country.

Minister of Industry Lars Skytoen was also involved in supplying northern Norway with new activities which might strengthen industry in this part of the country. He stated that the oil activity has not yet been of much benefit to northern Norway. He believed that increased oil activity in the north would be able to provide a justified shift towards the north.

"I do not share the fear which the opponents of test drilling in the north have expressed that the economy there may become too dependent upon the policy of the oil companies. The government has placed great emphasis on getting the Norwegian companies Statoil, Saga and Hydro to be the basic pillars in this policy," said Skytoen.

Activism

Guttorm Hansen of the Labor Party warned against the efforts which are being made to stop the government from giving a green light to the test drilling in the north, and he believed that these efforts were about to assume forms which there is reason to react to.

"The attempts at exploiting society's legal possibilities for delaying decisions, whether it pertains to one measure or another, by means of legal quibbling and legal cases, represents a form of action which similar to the civil disobedience actions gradually wears down normal people's respect for politicians, the political system and the activists themselves. In this country we cannot get into a situation which leads to a paralysis of action in all fields," said Guttorm Hansen, who believed that such methods would not be understood or accepted by the great majority which wants a continued development of Norwegian society.

Fisheries Minister Elvind Bolle said that he understood the skepticism which the fisheries organization has for the oil activity but believed that one could solve many of the problems through the types of collaboration which have been proposed in the report on oil drilling in the north. He said the Fisheries Department would work to look after the interests of the fisheries industry even after a careful start of drilling in the north.

Reidar Due of the Center Party, however, had a feeling that the fishermen's interests had almost been run over in the final processing of the parliamentary report. Besides, it was Due who presented proposals from the Center Party and the Liberal Party about the postponement of start of drilling, and which was supported by the Christian People's Party and the Socialist Left Party.

8958
CSO: 3108

LABOR PARTY PAPER APPROVES NORTHERN OIL EXPLORATION

Oslo ARBEIDERBLADET in Norwegian 14 Mar 80 p 4

[Editorial: "Oil Prospecting in the North"]

[Text] After parliament yesterday had discussed the question of oil activity in the north for the third time, the door is now open for test drilling in two fields north of 62° latitude starting this summer. One field will be outside northern Norway and the other outside northern Trondelag.

There is an indisputable need for strengthening the economy in these parts of the country. The Center Party, the Christian People's Party and the Liberal Party also want to put a possible oil activity in such a relationship, but at this time these parties do not find that the safety level is sufficiently high to start test drilling.

Together with the Socialist Left Party, the Christian People's Party, the Center Party and the Liberal Party yesterday made an attempt on a new basis at getting the test drilling postponed. Doubt was raised about the legality of starting such activity. It was maintained that this may affect the fishermen's legal rights.

After the Department of Justice had established that a decision on starting to drill does not violate Norwegian law, this case should have been settled. According to simple logic parliament should also have an obvious right to make decisions in such a case. We also point out that drilling has now been carried out for 15 years in the North Sea without anybody trying to question the legality of this activity. Except for the Socialist Left Party, all parties in parliament have during this time been represented in governments which have had the parliamentary responsibility for the oil activity at sea. It seemed especially strange that former Prime Minister Lars Korvald wanted to spread doubt about the legality of this activity in parliament yesterday.

We are happy that such a big majority in parliament rejected this attempt at setting up artificial legal roadblocks for the processing of this case.

The question of safety has always been central in the discussion about oil drilling in the north. When the government as well as the majority in parliament give a green light to this activity it is because one now considers the safety to be acceptable. In this connection it is tempting to point out that Borten found the safety level acceptable already in 1971, or almost 10 years ago. During this entire period considerable work has been carried out to improve the safety, both to prevent accidents from occurring and also to develop equipment which can be used if an accident should still take place. During these years considerable experience has also been obtained from accidents with oil activity at sea. The overall evaluation which now has been carried out of the safety level also includes the experience from the Bravo blowout and the oil catastrophe in the Gulf of Mexico. It is worth noting that Norway has gradually obtained the utmost expertise which is available in these areas in the world. When the test drilling is started in the north, it will be with the strictest rules which exist and with the best equipment which can be obtained.

Of course, in spite of this nobody can guarantee such an activity 100 percent. This is just as impossible as for any other activity, whether it is at sea or on shore. With the present technique and technology, however, it is not possible to get much further. To postpone the test drilling, for instance, for 1 year, will not mean any significant increase in the safety level. The development of new equipment and new technology must probably be seen from a 10-year perspective. There may also be reasons for emphasizing that the equipment which is used in the north lies at a completely different and higher safety level than what was used when the drilling in the North Sea took place.

Even though the parties which vote no in parliament can always bring out safety risk factors in a debate like this one, we believe this now seems primarily to be a substitute factor. It actually expresses a lack of willingness to take the responsibility for the development of the economy and secure settlement and jobs in the northern part of the country. It is, for instance, completely clear that the development of northern Norway cannot take place on the basis of the fisheries alone. The oil does not come as an alternative to the fisheries--it is therefore important that the fishermen's interests be looked after as far as possible--but the oil can represent a new and important addition to the economy in northern Norway.

The test drilling itself represents a valuable addition to the economy. However, we do not consider this to be only normal mapping work. If oil and gas resources are found, there will also be production. The foundation has thus been prepared for growth and development. In the present phase we still want to warn against excessive early optimism. Neither oil nor gas has yet been found in the areas involved. Only the test drilling in future years will show if there is oil or gas. It will be exciting years.

8958
CSO: 3108

PHILLIPS REDUCES OIL RESERVE ESTIMATES FOR EKOFISK FIELD

Oslo AFTENPOSTEN in Norwegian 21 Mar 80 p 23

[Article by Hans Chr. Erlandsen: "The Government 'Loses' Four Billion Kroner This Year: Ekofisk Decreases"]

[Text] The Phillips group yesterday published a reduction in the estimates for the petroleum reserves in the Ekofisk area of as much as 13.5 percent. The reduction is 500 million barrels of oil equivalents, which today have a market value of approximately 80 billion kroner. The assumed production for this year and next year will also be adjusted down and will give the Norwegian Government a loss in taxes and duties for this year's production of close to 4 billion kroner, according to the calculations which AFTENPOSTEN has made.

The new estimates of the reserves in the Ekofisk area are based on the experience which has been made during the years when the field has been in production. The estimates are now that the total reserves constitute 3.2 billion barrels of oil equivalents as compared to an estimate from last summer of 3.7 billion. However, 1 year ago the estimate was 4.4 billion. If this is taken as a point of departure before the last reduction, the "loss" of reserves corresponds to almost 200 billion kroner calculated according to today's price of oil.

In the annual report for 1979 from the oil directory, which was published today, an estimate is reported for the reserves in the Ekofisk area which roughly corresponds to the previous Phillips estimate of 3.7 billion barrels. However, the directorate's calculations reflect the situation as it was seen at the beginning of the year.

The annual report states that any large changes have not been made in the total estimate for probable obtainable reserves south of 62° latitude since the last annual report. They are assumed to be between 4,000 and 5,000 million tons of oil equivalents. The part of these reserves which now has been considered to be "probable" has, however, increased sharply as a consequence of the discoveries which have been made in blocks assigned during the fourth round of concessions.

A new evaluation of the oil reserves in the Valhall A area has been made, and these reserves show an increase of 40-50 percent as compared to earlier estimates. The production from the Valhall field, which now is being developed, is expected to get started in the fall of 1981. The Oil Directorate says about the so-called gold block or block 34/10 that the deposits found so far contain a minimum of 100 million ton cubic meter exploitable oil or approximately 83 million tons.

In contrast to the oil report recently issued in the Oil and Energy Department, the directorate will not give any estimate for how large the discovery of gas in block 31/2 is. This block and three surrounding blocks are assumed to contain one of the largest gas discoveries made in Western Europe. It is said to be a deposit with considerable reserves, and it is probable that the gas can be produced.

For block 15/30 north of Sleipner, where Elf Aquitaine is the operator, and block 30/7 between Frigg and Statfjord exploitable gas has been discovered with a quantity of between 50 and 100 million standard cubic meters. Better exploration is required here before more reliable figures can be given. Hydro is the operator for block 30/7.

For the Frigg field the experience from the production has shown that one can expect to produce 6 percent more gas than previous estimates showed.

In the estimates which now have been published for the Ekofisk area, the operator Phillips has not included the increased reserves one can produce by forcing more gas or sea water down into the field. In the annual report from the Oil Directorate the advantages of increased production were emphasized strongly. It was pointed out that for each percent the degree of extraction in the Ekofisk and Valhall area increases, amounts of energy larger than Norway's annual primary energy consumption will be made available.

According to the Phillips group, the degree of extraction at Ekofisk can be increased from 18 to 28 percent. According to the Oil Directorate it is urgent to start projects to increase the extraction so that large quantities of oil will not be left behind below the ground forever.

8958
CSO: 3108

PCP'S BRITO ON PRESIDENTIAL CANDIDATES, OTHER POLITICAL QUESTIONS

Lisbon DIARIO DE NOTICIAS in Portuguese 27 Apr 80 pp 7, 10

[Interview with PCP parliamentary group leader Carlos Brito by Fernando Madrinha; date and place not given]

[Text] "I don't think that a strongly partisan candidate is in the best position to gain the backing of all the democratic forces as a whole," remarked the leader of the Communist parliamentary group, Carlos Brito, in an interview which he granted to "DN" [DIARIO DE NOTICIAS]. Carlos Brito makes detailed comments on the political situation, criticizing the present government harshly and also expressing his views on the forthcoming presidential elections. In this connection, he observes: "The fact that the government coalition has selected Soares Carneiro as a candidate is significant in itself;" and, with regard to the candidacy of Otelo Saraiva de Carvalho, he declares that, in his view, "It is a candidacy of division and wasted votes, which could impede the defeat of the reactionary candidate or candidates."

"DN": Communist leaders have already stated on more than one occasion that this government would fall before the elections. Since the PCP (and the opposition as a whole) does not have a parliamentary majority, how will that goal be attained?

Carlos Brito: Our conviction that the government will not last until the elections stems from its own performance, and from our belief that this performance will evoke an increasingly large and stronger resistance movement.

This government's performance has been marked by what we might summarize in this description: reaction, demagogy and incompetence. It has been proven that, with this type of performance, the government is incapable of solving the problems of the people and the country, and that it has, on the contrary, made all of them worse.

Everything that the government is doing has been concentrated in these two directions: the first one is the restoration of the economic and political power of big capital associated with imperialism and with the large estate holders, with complete disrespect for the Constitution and the laws; the

second consists of an attempt to convert the approaching elections into an electoral masquerade of the kind that took place under fascism.

On all levels of PCP activity, we have denounced the attacks on agrarian reform, the attempted assault on nationalizations through a change in the laws concerning the demarcation of sectors, the assault on the mass media, and the repressive, coercive attitude toward the workers' movement. All this lies at the source of the dissatisfaction that is increasing and spreading in the country.

"DN": But that dissatisfaction and that resistance will not suffice to overthrow the government if it is not voiced in the Assembly of the Republic....

CB: The parliamentary majority, which is moreover so slight, is not an invincible shield against a widespread movement of dissatisfaction and opposition. It is inherent in democratic systems that governments which are virtually isolated from public opinion can fall, even if they enjoy parliamentary majorities. And that is why the expedient of interim or early elections is common in democracies.

The government itself may realize that it is no longer equipped to govern, because it is incapable of solving the problems or dealing with the dissatisfaction that is rampant; and hence may request to resign. The large movements of public opinion and the proven incompetence of the government could cause an upset in the status of the parliamentary forces itself.

"DN": Are you considering the possibility of a disbanding of AD [Democratic Alliance]?

CB: Political experience has shown that, when very large movements of opinion become widespread in a country, this almost always has repercussions on the representative assemblies.

The essential thing is this: This is a government which is in opposition to the system, in opposition to the institutions, which is governing to restore the privileges of the big masters of 24 April, and which has brought about among the public and the workers a widespread movement of dissatisfaction and democratic resistance. The democratic institutions are sound enough to plan an alternative to it.

"DN": Do you accept the charges that the PCP is using its influence in the labor movement to achieve the downfall of the government, and that the coincidence of the strikes held recently is part of that strategy?

CB: I do not accept any charge, because what has occurred with the vast movements of workers that have taken place recently is not involved in any mystery. They are developing in connection with very definite lists of demands and clearcut goals (whether economic, social or even political), and through types of struggle associated with complete respect for the constitutional and legal framework.

The great workers' movements currently under way are the working population's legitimate response to the government's reactionary policy, which has been reflected in the sharp rise in prices and an overall worsening of living conditions, a freeze on wages and collective bargaining, the adoption of repressive measures, blackmail and coercion (for example, the declaration of business firms as being in a difficult situation, for which purpose the government entities do not hesitate to forge accounts).

Those movements also express the deepseated identification of the workers' movement with agrarian reform, the nationalizations, and, in general, the democratic system created by the April revolution and established in the Constitution, which the government and the governmental coalition are challenging and trying to destroy.

The PCP is in complete and steadfast solidarity with the great workers' movements. There is no mystery: The workers' struggles and the PCP's action are taking place in accordance with the law and the Constitution. It is the government's performance which is unconstitutional and subversive.

"DN": You claim that the action of the workers and that of the PCP are taking place within the bounds of legality and through the mechanisms which that legality allows. With regard to the bomb explosion in Evora, the MAP [Ministry of Agriculture and Fisheries] states, in an official note, that the PCP has stiffened its opposition to the turnover of reserves in the agrarian reform area, and even cited the possibility that the Communists may be heading in the direction of political crimes. What is your opinion of this?

CB: I would like to make two comments. In the first place, I have already asserted in the Assembly that the MPA is completely controlled by the large estate holders, a small social class which wants to retrieve its huge fortunes and all the means of exploiting the workers that it had before 25 April.

I consider that note extremely disturbing, because it proves that the MAP is in the hands of a group of hoodlums and irresponsible persons who do not have the slightest sense of the dignity of the state. Any government department which had self-respect could not, in fact, sign a note such as that.

The MAP and the reactionary forces felt the need to resort, on the one hand, to bombs, and, on the other, to the verbal terrorism which that note represents; because, in my opinion, the Fourth Conference on Agrarian Reform turned out to be a highly expressive message of peace and a very clear-cut proposal aimed at the creation of a new economy in the country.

The Conference not only indicated the great success of agrarian reform in quantitative terms, in the expansion of the areas for cultivation, irrigation, herds of livestock, etc, but it went further, because it also demonstrated a major growth in qualitative terms; that is, the overall increase in productivity and important steps in updating agriculture.

Now that message of peace and renewal naturally had a strong impact on public opinion; and, with the terrorism of bombs and verbal terrorism, an attempt was made to keep that message from reaching the larger masses in the country. It will be a futile attempt, because, on the day that the Conference ended, there were in Evora over 100,000 people who will take that message of peace and that proposal for creative work on behalf of Portugal's future to the entire country.

The Conference challenged the government's policy, not only from the standpoint of agrarian reform, but the entire governmental agricultural policy. In the proposal for the general state budget, the agriculture and fisheries department is the very one sacrificed, in nominal amounts, compared with 1979: In the 1979 initial budget, 10.8 million contos were earmarked for it, and, in the revised budget, 11.4 million contos; whereas, in the budget for 1980, only 9.8 million contos were appropriated for it. Relatively speaking, and with reference to the same three budgets, the outlays planned for the sector represent 3.8, 3.8 and only 2.5 percent, respectively, in this government's budget.

This proves who is thinking about the development of Portuguese agriculture and submitting objective proposals, and who, like the government, is trying to sacrifice agriculture, placing other interests in first place: those related to the rebuilding of the large financial and large estate holding groups.

The MFA has become a monstrosity in our political activity; as a Ministry of Agriculture and Fisheries, it is virtually non-existent. The note to which I referred has the virtue of showing the public at large the methods of that "apparatus," which is exhibiting fascist brutality in the entire intervention area of agrarian reform, with the most complete disregard for the laws and the Constitution.

"DN": You mentioned the general state budget [OGE], which will be assessed by the Assembly of the Republic. Will the PCP vote against it?

CB: Obviously we shall vote against it.

The government's proposals regarding the OGE and the great options of the plan attest to the reaction, demagogy and incompetence of the government.

When the parties in the coalition were with the opposition, they conducted a big campaign against the deficits. We can now claim that this is a government of deficits: It has immediately increased the deficit in the OGE to 141 million contos, to which must legitimately be added 15 million as a deficit covered by the revaluation of the gold reserves. In the first quarter of this year, the deficit in the balance of current transactions was about $300 million. Therefore, members of the government now admit that the annual deficit in current transactions will reach $900 million, which was the figure that the PCP cited in the AR [Assembly of the Republic] during the debate on the interpellation.

The government did not introduce the investment plan for the state enterprise sector; it has not indicated measures for combating unemployment. What it has announced regarding the reduction in the tax burden is a complete fraud, because it is becoming even heavier for the workers than it was in 1979.

Even the proclaimed reduction in the professional tax, for example, is a measure to benefit high incomes. It should be realized that 80 percent of Portuguese workers have incomes of up to 14 contos per month. Those earning 14 contos have a reduction of 280 escudos per month, which means 3,900 per year. Those earning 60 contos per month have a monthly reduction of 3,600 escudos; in other words, the monthly reduction for the gentlemen with high incomes is virtually the same as what the best paid workers receive in an entire year.

The bills relating to the OGE and the great options of the plan unequivocally indicate a serious exacerbation in the economic situation. This is why we say that the government will fall in the entanglement of its own incompetence.

I would also add that it will fall in the entanglement of its own demagogy. One example: the proclaimed measures in the area of social security, after having illegally blocked for months the implementation of the benefits created by the government of engineer Lurdes Pintasilgo.

The government has not yet executed the document issued by the previous executive branch extending the family bonus to all those who do not benefit from any social security plan. This is why we say that, every month, it is stealing 240 escudos from each one of the 700,000 children of the neediest strata of the population.

"DN": What option would the PCP uphold if the government should resign before the elections? Early elections, or a new government of presidential initiative?

CB: The decision would have to depend considerably on the time when the government's fall took place. In any event, we would demand a caretaker government until the elections, inasmuch as the Sa Carneiro government, even if it resigned, would be unacceptable, because of its well-known intention of turning the elections into an electoral masquerade.

"DN": Do you consider a new leftist majority in the AR possible after October, even within the context of the new electoral law that the AD is attempting to have passed?

CB: What is known about the "swindling law" (since, as you know, no bill has been submitted to the AR) confirms what we have claimed from the time of the first announcements: It is a strategy aimed at insuring the government coalition victory in the elections, even with a considerable decline in votes. It is a plan for prior falsification of the electoral results.

This is the result that is being sought, for example, from the preposterous enlargement of the number of deputies representing emigrants, and the corresponding reduction in deputies representing the national territory, or from the general establishment of the vote by correspondence. The bills must be so dishonest that, even now, the forces constituting the government coalition have not had enough nerve to submit them.

The AD's plans to introduce into the electoral law fraudulent provisions which would keep it in power against the will of the people attest to the anti-democratic and fascist-oriented tendency of the forces dominating the government and the government coalition. I am quite confident that, after this disastrous experience with the PSD [Social Democratic Party]-CDS [Social Democratic Center Party] government, the Portuguese people will bring to the Assembly a democratic majority which will give a parliamentary base to a democratic government.

"DN": The PS [Socialist Party] is planning for October an electoral front from which the PCP has been excluded at the outset. Do you intend to persist in forming a common leftist front with the Socialists?

CB: Our idea of an understanding with the PS is a constant factor in our policy, since we feel that this is the necessary course of action to consolidate democracy. Under any circumstances, we shall continue to uphold the understanding with the PS.

Insofar as the October elections are concerned, the PS has aimed for that kind of coalition with other small parties which it considers to be in its area, more or less. In this respect, we claim that it would have been desirable for an agreement to have been reached for a joint solution. But, of course, we have not failed to make our own arrangements.

In January, my party's Central Committee decided to propose the reestablishment of the APU [United People's Alliance] to participate in the next legislative elections; and, on the same occasion, it decided to take initiatives in the direction of intensifying the unifying dynamics and understanding with other political forces and personages. We are working in that direction and, very soon, within a matter of days, the agreement will be signed with the MDP [Portuguese Democratic Movement].

"DN": You mentioned other political forces besides MDP/CDE [Democratic Electoral Commission]. What are they?

CB: It is too soon to reveal what they are.

"DN": Up until now, the PCP has not assumed a position with respect to the presidential elections. Will the Communists run a candidate of their own, or do they accept the possibility of backing another one?

CB: It is not true that we have not assumed a position. We have already said that we consider it the major task of the democratic forces in the presidential elections to defeat the candidate or candidates of the reactionary forces, and to have a president elected who will offer full guarantees of defending the democratic system established in the Constitution, and who will specifically insure that the constitutional revision takes place within the limits and under the conditions which the Constitution itself stipulates.

Another idea stems from this: It is that we shall favor the advent, in the democratic area, of a candidate who can win all the votes of the democratic forces in the first or second balloting. Hence, we shall favor a candidate who will offer guarantees of contributing to the balance, independence and complementary status of the organs of sovereignty.

"DN": Could it be a military candidate?

CB: Civilian or military, military or civilian, that is not the issue for us.

"DN": Could Gen Ramalho Eanes be included within those limits?

CB: We have not made any decision regarding names or individuals. Our decisions are of a general nature. You can consider these decisions, and find out whether they are applicable to the various hypotheses that you may want to make.

"DN": At any rate, what is your opinion (and that of the PCP) regarding the way in which President Ramalho Eanes has carried out his mandate?

CB: We do not want to make universal judgments concerning the performance of the current president of the republic. We think that this position of ours was and is a contribution to the stability of that organ of sovereignty.

As you know, we have on many occasions expressed our agreement with the president's attitudes and decisions. Our opposition to several other decisions and attitudes is also well known. I recall, for example, the appointment of Mota Pinto as prime minister among those which we most forcefully challenged.

In any event, I don't think that one can legitimately question the fact that Gen Ramalho Eanes' mandate has shown an intention of contributing to the consolidation of the democratic institutions. And I don't think that anyone can question the fact that this is the general idea which one infers from the president's performance.

"DN": Do you believe that Mario Soares, if he should be a candidate, would have the qualifications to merit the support of the entire left, including the PCP?

CB: You must surely consider the decisions of a very general nature that I mentioned a short time ago. Taking those considerations as a basis, I don't think that a strongly partisan candidate is in the best position to gain the backing of all the democratic forces as a whole.

"DN": The AD has now announced its support for the candidacy of Gen Soares Carneiro. What is your opinion of this candidate?

CB: All we know is that he is a candidate who bears no relationship to 25 April. His career is linked with the fascist regime, and we know of no public actions or significant acts of any kind which attest to his adherence to the democratic system.

The fact that the government coalition has selected him as a candidate is, in itself, significant. It symbolically confirms that his proposition lies outside of and is opposed to 25 April. This is another reason that the 25 April celebrations are great demonstrations of unity among all those who want to continue consolidating the democratic system.

"DN": Does the PCP consider the candidate Otelo Saraiva de Carvalho the main adversary in the presidential elections, since he may operate in the leftist area and, hence, may possibly be able to take votes from the candidate that the PCP backs?

CB: The general decisions that I cited to you a short time ago show that the main adversary is the candidate or candidat s of the reactionary forces. However, we think that this candidacy is a candidacy of diversion, which may confuse some portions of the electorate regarding what is seriously at stake in the presidential elections. It is a candidacy of division and wasted votes, which could impede the defeat of the reactionary candidate or candidates; and therefore a candidacy that is gravely detrimental to the interests of the workers and the forces of democracy. It is a candidacy which will, objectively, play along with the right wing candidates.

"DN": The PCP is participating in the conference of European Communist Parties that will be held in Paris on 28 and 29 April. Will the Communist Parties try to find a common strategy for their action?

CB: Certainly, and particularly with regard to matters of security and restoring calmness, which are the focal point of the meeting.

"DN": Will the installation of NATO missiles in European countries be a plan to which the Communist Parties will voice opposition?

CB: That will be one of the major issues, because it is one of the great threats to peace at the present time.

"DN": The Western countries, in turn, think that the USSR's intervention in Afghanistan is also a threat to peace....

CB: The issue of Afghanistan is, to us, the defense of the Afghan revolution and of the democratic and progressive conquests against increasing imperialist aggression, particularly that from American imperialism. The facts confirm that imperialist circles were preparing to reinstate in the government the feudal reactionaries who were defeated by the April revolution in Afghanistan.

The democratic, progressive regimes are factors for peace and calm in the international arena; the reactionary regimes and even the reactionary governments are always centers of intrigue against the peace, security and liberty of peoples. Consider the foreign policy of the reactionary Sa Carneiro government and its most recent aspects. Observe how it subjects itself subservientiy to the dictates of the Americans, and how it dares to become involved in the conspiracy against the Iranian revolution, seriously damaging the interests of Portugal and world peace.

"DN": The Communist Parties of Italy and Spain, as well as the Yugoslav Communist League, are not participating in the Paris conference; which proves once again the division between the so-called Eurocommunist parties and those which are generally considered closer to the Communist Party of the Soviet Union. Do you consider rapprochement between these two groups of Communist Parties out of the question?

CB: With regard to that matter of being closer, this does not tell us anything. As for your question, I must tell you that it is by no means out of the question. We maintain in a very steadfast manner, in both principles and practice, that the bonds, dialog and cooperation among the Communist Parties should be reinforced, regardless of the differences of opinion or the ideological differences that they may have.

Furthermore, we have excellent relations with parties which you have just included in that Eurocommunist area.

"DN": Carlos Brito was considered one of the PCP leaders closest to Eurocommunism? Do you accept the label?

CB: Not that nor the opposite. That is speculation by the reactionaries. You will see the reaction to this interview.

2909
CSO: 3101

AD'S PURPORTED CHANGES OF CONSTITUTION ANALYZED

Lisbon O JORNAL in Portuguese 3 Apr 80 pp 6, 7

[Text] The Anticipated Changes

Strikes: prohibition of "wildcat" and "political" strikes.

Sanctioning of political and ordinary legislative referendum.

Restriction on measures limiting power to revise.

Elimination of the following expressions: people's power, workers' power and political-military power.

Elimination of the political-military authority of the CR [Council of the Revolution].

Strengthening of the judiciary branch.

Replacement of legislation against fascist organizations with other legislation covering organizations with a totalitarian ideology.

Law on political parties in which their guarantees are specified.

Antimonopolitistic rule applicable both to public and private monopolies.

Closer connection between voters in each district and the deputies.

Second motion of censure should indicate a candidate for prime minister.

Although the present Parliament has no constituent powers and the Constitution can only be revised after the legislative election at the end of this year, the forces to the right of the PS [Socialist Party] have sought to

give priority to the need for a thorough remodeling of the Constitution. This proposal conflicts with a movement in the opposite direction by the forces opposing them. In the analysis made of that proposal by some constitutionalists, what is sought, rather than defense of a revision, is a replacement of the Constitution approved, 4 years ago, with another one prepared in accordance with the material limitations sanctioned by the present text.

The document "Program of Constitutional Revision for a New Portuguese Democracy," published today by O JORNAL -- a working document in which the main points in the revision advocated by AD [Democratic Alliance] are specified -- implies significantly the spirit to be followed by the principles already approved by the parties in the Democratic Alliance. Taking as "point of reference" Sa Carneiro's project, the principal guidelines and the doctrinary and moral basis shaping the AD's revision proposal are outlined in this document. The following is being contemplated as higher material principles: elimination of all references to socialism as the official doctrine of the state and elimination of all references to powers contained in the present text, like people's power, workers' power, political-military power and the constitutional powers granted to military bodies. Among the main concrete changes, AD proposes replacement of any mention of "the classless society," the "revolutionary process," in addition to any reference to the MFA [Armed Forces Movement] as "guarantor" and "participant in the exercise of sovereignty," with the connotation that the basic principles must not express any ideology, but, rather, a collective ideal of building a state of law, of justice, of culture, of peace and progress.

The rights of the workers are specified as rights to participate and not to control and constitutional limitations are established for the strike law, with prohibition of what are designated as "political strikes," "wildcat strikes" and "violent strikes." At the same time as constitutional limitations on that right are suggested, a proposal is made for sanctioning political and ordinary legislative referendum and the establishment of a second chamber in Parliament, representing professional and local interests.

And, finally, the AD parties advocate the need for a constitutional referendum and undertake to prepare a law "to obtain from the Portuguese people a decision that would make it possible to set aside the material and formal limitations on constitutional revision (two-thirds majority of the deputies). Submission of a referendum bill does not seem to be among AD's intentions in the few months left in the term of the present legislature. But it is still a proposal defended with conviction as is revealed sufficiently clearly in the document that we reproduce immediately below.

I.

The Democratic Alliance regards a thorough revision of the present Constitution to be one of its basic priorities.

In fact, the Constitution expresses a spirit and way of collective life, a whole set of large-scale national objectives and a mechanism for appointing, relationing and the functioning of public authorities that, essentially, have proved to be thoroughly inadequate for both peace and progress of Portuguese society.

Moreover, what is involved is a transition Constitution, fragmentary in its origin (political-military pacts and desire of the parties represented in the Constituent Assembly) and temporary with regard to its term itself.

The Constitution is not merely a connecting link between all the Portuguese people. On the contrary! Only the Communist Party defends it entirely and the Socialist Party itself, which voted in favor of all the pertinent articles, now rejects a complete identification with it, expressly ready to prescribe its revision.

Therefore, the Portuguese Constitution is not a bridge but, rather, a wall between the Portuguese people, supported only by those forces that are most responsible for domestic deterioration and that are most subservient to outside anti-Portuguese interests (PCP and most of the CR).

It is no wonder that it may be said that Portugal has no Constitution and that, therefore, it needs a renovated Constitution, because the present Constitution does not carry out any of its functions of stability, harmony, main mark of Portugal's position in the world, criterion of decision by the organs of sovereignty, inspiration and regulation of the whole judicial order, source of institutional legitimacy, higher level of political and social development and supreme emblem of national identity.

The series of crises through which Portugal has gone are the best proof that there is no established judicial-political order, especially when it becomes evident that all those crises are reduced to one and the same constitutional crisis, the crisis of the spirit and of the organization governing our collective life. The discredit and the effectiveness of institutions do not seem to be tolerable any longer, under pain of running the risk of dragging the very idea of democracy along with them.

In this respect, the no-vote by the CDS [Social Democratic Center Party] on the 1976 Constitution, the alternative offered by Dr Sa Carneiro to that same Constitution by means of a revision bill authored by him -- now used as "point of reference" by the Democratic Alliance -- and the constant criticisms to which it was subjected by the PPM [Popular Monarchist Party] and its leaders, are the doctrinary and moral basis for the proposal for a thorough revision by the Democratic Alliance whose guidelines are outlined in this program.

II.

There are various, decisive critical points in the present Constitution. Therefore, a effort to make a broad, thorough revision is very necessary.

Naturally, the Democratic Alliance advocates another notion of the nature and role of the Portuguese Constitution, different, if not the opposite, from what the present Constitution expresses:

a. The Constitution must not be merely the weather vane by which the revolutionary process is transformed peacefully and in literary form (see article 10 of the present Constitution), but also the expression of the general democratic will of a people who wants to dominate its own course in the present and the future.

b. The Constitution must not be an ideological catechism of socialism or some other doctrine, but merely the structure of main beams of an open order, equidistant from every individual point of view, group opinions or plans.

c. The Constitution, as a basis for a broader, more genuine democratic consensus of all the Portuguese people, must be limited to truly constitutional principles of a juridical-political nature without any specialized programatic intervention or sectorial programatic intervention either in the field of agriculture or in the economy in general, or in any other field.

d. The next Constitution must be a simple, flexible text that can be known by the people and that will enable the country to adjust itself without violence and, at the same time, without a constant loss of its forms of identity, in our insertion in a new geographic and historical space that is constantly changing, always in strict agreement with the general majority will of the Portuguese people.

e. The Constitution must not be an abstract revolutionary document, but, rather, a real compendium of a real country, based on its situation and its permanent, general options and on its requirement for freedom and self-affirmation, without ideological or other obligations. Therefore, it must not be as revolutionary as possible, like the present one, but, rather, as broad as possible.

f. The Constitution must be a consistent whole, with a beginning, middle and end, and not an amalgam of principles varying in origin that neutralize each other mutually, some of liberal origin, others of collective origin, some from a political-military source, others from a democratic source.

g. The Constitution must be stable and lasting and not temporary, although open to modifications through the power of revision, so that it itself will not be a factor of instability and so that it will not be, like the present one, either too temporary, on the one hand, or too definitive, on the other hand.

h. The Constitution must be written with economy, with strictness and with clarity, in order to facilitate and unify interpretation and to make the large-scale collective goals evident and not as if it were a sack of concepts dumped out at random and poorly arranged.

III.

The constitutional revision should consubstantiate some of the following higher material principles, in connection with the above-mentioned formal criteria:

1. The next constitutional revision must put an end to the provisional cycle of Portuguese political activity and, instead of prolonging an invoked transition to socialism, it should complete the transition from socialism to democracy, postponed, unfortunately, for so long.

It will be up to the new Constitution to clarify how the people are to choose, but not, in the example of the present one, what the people must choose or what has been chosen in advance for the people, without their asking, by the self-appointed vanguards of the process.

2. The preceding objective will entail, not only elimination of all references to socialism as the official doctrine of the state, but also elimination of all references to powers not strictly democratic and constitutional, like "people's power," "workers' power," "political-military power," or the constitutional powers granted to military bodies. Only democratic power of an electoral nature, the judiciary branch and the executive branch that have the Portuguese people as their source of legitimacy will be real constitutional powers, recognized and regulated by the Constitution.

3. There must be a balance, a unity and a mutual guarantee between the first and second part of the Constitution (freedom and social and economic organization, on the one hand, and political organization, on the other hand), so that economic freedom, freedom of education and other practical or nonpolitical freedoms specified in the first part of the Constitution must be regarded as components and guarantees of the democratic, pluralistic nature of the state built in the second part. Differently from the present Constitution, this assumes that democracy can be built and function with freedom and political pluralism without the prior existence of freedom, democracy, economic, cultural and social pluralism.

4. The constitutional revision must have as its objective the liberation of society and the building of the state by expanding the first and reducing the second, precisely the opposite of what the PCP sought with the present Constitution, which was to imprison society (by means of nationalizations) and to destroy the state (by means of excesses of partisanship, of militarism and of populist anarchism). In this connection, in order to meet the requirements for greater economic freedom and greater unity and consistency of the economic and social constitution, more authority and better representiaveness of the political Constitution of the state are needed.

5. It ensues from what was said above that the criterion of division of powers in the new revision project must eliminate the political-military

power of the Council of the Revolution, strengthen and unify the judiciary branch especially by means of the creation of a constitutional court thus laying the groundwork for a state of justice, improve election methods and the resultant representativeness of the Assembly of the Republic, unify certain forces participating and intervening in the political process that are dispersed at present by giving the municipalities and other forms of autonomy a political bloc that can be heard all over the country, offer a clearer solution to crises and competency in administrative governments by strengthening the powers of the executive branch, empowering the president of the Republic to implement the referendum and bringing about the means for better coordination between the president of the Republic and the Assembly.

6. The mechanisms of decision-making must be simplified and the initiative, force and responsibility of political and social decision-making must be enhanced, in order to improve the operability and the reliability of all the spheres of authority affecting the course of the nation's activity.

7. Freedom and the fundamental rights are not mere reserves of rights granted within the state latifundium to the citizens (formula of article 17 and following of the Constitution), but, rather, the basic principle of the whole constitution, an expression of the dignity in which all men share equally and in which an unreplaceable and direct responsibility of all to themselves and to others is also deeply rooted.

8. Economic organization must be open, flexible and dynamic, without monopolies of any kind and in accordance with the principle that persons and not the state are the ones needing and having freedom to produce and consume.

9. Therefore, the Constitution cannot be, from any point of view, a paper barricade determining irreversible conquests, class separations, opposition of economic sectors against each other or absolute limitations of a partisan nature on its own revision.

10. All the essential factors of the state, people, territory and sovereignty must be clearly and unambiguously specified, organized and incorporated. It must be stated who a Portuguese is and what Portugal's exact place in the world is, as a state, as a community of emigrants, giving preference to natural, permanent insertions over ideological, occasional options, in order not to seem lost, as occurs in the present Constitution, but, rather, properly placed as a European, Atlantic and Western country, although with cultural, historical and political responsibilities tied to the unity of its past and of its language.

IV.

It is also probably advisable to specify some of the main concrete changes to be proposed by the Democratic Alliance, although in very general terms and within the limitations of an election program.

a-1. With regard to the basic principles of the Constitution, the Alliance proposes replacement of all mention of "transition to socialism," of "classless society," of the "revolutionary process," of a class-oriented exercise of political authority, of "socialization of the means of production and wealth," and of any other that expresses dogmatism or political-ideological partisanship.

On the other hand, the basic principles must not express any ideology, but, rather, a collective ideal of building a state of law, of justice, of culture, of peace and of progress, based on national sovereignty, the nation's interest and national solidarity, having as its supreme expression the will of the "Portuguese people," a form whose express sanction is advocated by Democratic Alliance.

The general bases from which the large-scale consitutional motivations or the general consensus of the Portuguese people should be sought are, therefore, Portugal and democracy and not any other ideological basis. Portuguese democracy and not original socialism, therefore.

a-2. Any reference to the MFA as "guarantor" and participant in the exercise of sovereignty (article 3 of the present Constitution) is eliminated. It should be pointed out that the general principles of the state of law and especially the requirements of freedom and domestic democracy are extendible not only to the state but also to all forms of popular representation, especially political parties and labor unions.

a-3. Replacement of the system of "unknown" citizenship in the present Constitution and specification of a system of citizenship based on jus sanguinis, which ensures emigrated Portuguese of the status of being Portuguese, at least during the next two generations, so that, in a country like ours, which is more one of people than of territories, preservation of its two most essential resources -- our people and our culture -- can be guaranteed, assisting, at the same time, and by reflection, in building a Portugal-community alongside a Portugal-state.

a-4. In the field of fundamental tasks of the state-collectivity, defense of the language and cultural patrimony of Portugal, defense of the freedom and security of the Portuguese people, in Portugual and throughout the world, are regarded as two new objectives to be included.

a-5. In the field of the external expression of sovereignty, statements or rules expressing international policy objectives of a partisan nature that have to do only with the country's great permanent objectives, on incorporation in an international juridical order, on solidarities natural to our position outside, dictated by geographical or historical reasons going beyond our capabilities for intervention and foreign action or that affect the credibility and stability of our most essential commitments must be eliminated.

In addition to that, it is probably advisable to anticipate and specify the possible constitutional requirements for our future integration into the process of the Europe being built, as well as in every form of international development entailing a qualitative modification of the exercise of sovereignty.

The Democratic Alliance will also propose inclusion of respect for fundamental rights as one of the criteria guiding the Portuguese state's foreign action.

b-1. With regard to fundamental rights, we believe that it is necessary to state that, differently from the Marxist parties, we regard them to be based on the very nature of the human being as attributes inseparable from the dignity of man and not only as temporary and manipulatable forms of the historical development of class warfare. We believe it necessary, therefore, to specify and express in the Constitution the moral basis of the fundamental rights, so that they will not be regarded as a catalog of unconnected capabilities at the mercy of the state and of the vicissitudes of the Revolution.

b-2. The fundamental rights, as an expression of the very dignity of man, are extendible to all "men" and not only an attribute of "citizens," as is stated in the present Constitution.

b-3. Every change must be made with a view to setting aside the seven reservations that we had to make to the European Convention on Human Rights, owing to the limitations of the present Constitution, thus seeking identification with a process of defense and institutionalization of freedom whose spectrum will necessarily be constantly more vast and more solitary in scope.

b-4. The Alliance proposes to give a new systematization of part I of the Constitution with a differentiation between personal, civil and political rights and duties and their order of development.

b-5. The Democratic Alliance aims also at improving and making specific the statutes on criminal matters and criminal trial procedure.

b-6. The AD intends to replace the imposition of legislation against "fascist" organizations as a defense frontier of democracy and the basic rights -- as the present Constitution does -- by prescribing a constitutional and legal principle against organizations with a totalitarian or dictatorial ideology, regardless of whether the ideology seems to be more of the right or more of the left.

b-7. The right to individual ownership must be included as one of the basic rights of man, essential both to development of the respective personality and as an institutional guarantee of all the other forms of freedom. At the same time, confiscation must be prohibited and any expropriation must be governed by the existence of a previous law of the Assembly

of the Republic providing for it when there is a proportionate public interest justifying the pertinent administrative decision and when payment of a fair indemnity, determined in accordance with prespecified general criteria, is made.

b-8. With regard to freedom of information, the Alliance proposes to specify and systematize the rights of newsmen and to expand the freedom of information by means of television, allowing the principle of private or cooperative ownership of television with the system of a collective interest enterprise.

In general, the destabilization and the departisanization of all information will be sought by eliminating the rules on the Information Council and by allowing the return of all state-controlled news media to private or cooperative ownership.

The right to broadcast must not be restricted to parties and labor unions, as occurs in the present Constitution. It must be extended to every form of representation or cultural and spiritual expression of the Portuguese people.

b-9. The Alliance advocates expansion of the spirit and of the constitutional framework of freedom of education.

b-10. It is understood that any political party whatsoever must be prohibited from being able to nominate one of its members for duties like the duty of purveyor of justice or other duties involving the permanent exercise of functions whose main objective is to guarantee the basic rights, regardless of whether those institutions are national or international, and inasmuch as, naturally, nomination of those candidates is incumbent on the Assembly of the Republic.

b-11. The principle of mandatory public competition for appointment to any public function must be established in defense of the principle of equality and morality of administration.

b-12. The Alliance wants to promote extension of the constitutional public rights of emigrants by providing especially for their participation in elections for president of the Republic.

b-13. The Constitution must provide for preparation of a law on political parties in which guarantees of internal democracy are specified and the limitations and incorporation of their respective external activity in the framework of the democratic state are established.

b-14. Concerning economic, social and cultural rights, article 50 should be revoked. It makes the rights of the workers depend on the "collective appropriation of the means of production," when the real basis and support for those rights are democratization of the economy and the institutions.

b-15. The rights of the workers must be specified as rights to participate and not as a right to control (worker participation and not "worker control"), in accordance with the model of a society of solidarity and not of break, in search for national development goals, eliminating, at the same time, all expressions of paternalism or of class revenge oriented respectively in opposite directions, like the ones abounding in the present Constitution.

b-16. The principle of the freedom and unity of enterprise must be established, setting aside, in principle, all forms of conditioning and insofar as principles of national security or overall national interest are not affected.

b-17. Paragraph 2 of article 59, providing for the existence of a law on strikes must be eliminated and strikes must be subject to the following constitutional limitations: prohibition of political strikes, prohibition of wildcat strikes, prohibition of stikes affecting national defense or security, prohibition of violent strikes or with the use of violence.

b-18. Rules expressing statist or illuminist convictions on education and culture must be eliminated.

c-1. With regard to the rules on economic and social organization, the Democratic Alliance proposes elimination of most of them, in view of the fact that they express a spirit of restriction, of statism and of regulation contrary to the needs of a market economy on a European scale and working against solution of the crsis in which the socialist economy of the Constitution has thrown us.

The first rule that must be eliminated is the one in article 280, which establishes a collectivist and materialistic view of the whole economy. To tell the truth, we have a less democratic and less liberal economy than before 25 April [1974]. Democratic development requires its urgent elimination from the pertinent constitutional basis.

c-2. Contrary to what the Constitution states and specifically article 81 also suggests, the economic function of the state should be, in principle, restricted and limited, not the economic function of individuals or groups. This is as much in the name of defense of freedom, pluralism and democracy, as in the name of efficiency, productivity and ethics of production.

c-3. Every expropriation should give rise to indemnification and, therefore, paragraph 2 of article 82, which deviates from that principle, should be eliminated.

c-4. Article 83 and article 85, which transform nationalizations into irreversible conquests and in which the existence of sectors closed to the private economy is imposed must be eliminated, because they conflict with our process of incorporation in the common market, with the unity of the economic system and with the credibility of the people's democratic authority over their economic activity.

c-5. The rules on planning, trading channels and Agrarian Reform must be eliminated, both because they are an expression of dirigisme and collectivism, and because they include rules of an infraconstitutional and almost regulatory nature, unless a rule is included in the measure pertaining to planning that will specify the guiding nature of a plan and the requirement for democratic parliamentary control and, with regard to prices, the possibility of intervention of an emergency nature is established concerning the price of essential products, in the interest of protecting the most underprivileged families and consumers.

The principles of the economic Constitution to be proposed by the Alliance must be very few, including particularly an antimonopolistic rule applicable both to public and to private monopolies, putting an end to legal monopolies of a colonial nature in existence at present; a principle of equality and not of discrimination between public and private sector; a principle of subjection of all profitable enterprises, public or private, to common rules of competition; principle of public and technical control of public and private enterprises; freedom of enterprise, even in the field of banking and insurance, making possible, therefore, an open, accessible economic order, as required by any democratic order.

The economy must be assigned an objective of a social and national nature, but its basis and its driving force must be based on private, social and cooperative initiative expanded by means of various forms of democratization of capital and corrected in its effects by means of a fair, adequate taxation system, but that must never function as a mere instrument of collectivization or of insidious expropriation of wealth and of nonutilization of the effort of the citizens.

d-1. Concerning the political organization of the state, defense of a democratic basis will require, first of all, improvement of the representation mechanisms.

This objective depends, first of all, on a modification of the election rules in the Constitution, especially the system for electing deputies. Our election system should make a greater rapprochement possible between the voters in each district and the respective deputies. It is also proposed that the Constitution admit, in terms subsequently subject to regulation by the election law, the possibility of the submission of coalition tickets and the formalization of coalitions of tickets, in addition to the elimination of the restrictive reference to the "method" of the highest "d'Hondt" average, leaving it up to the law to put the principle of proportional representation in concrete form. This will make it possible to sanction double candidacy or of national and local districts superimposed.

d-2. An economic and social council must be established that will combine and expand the functions of the present National Planning Council and National Profits and Prices Council, which would be eliminated, with acquisition of a constitutional nature by the first of the above-mentioned bodies, with consultative and representation functions. Political parties

will not, however, have a seat on it, only representatives of social and economic forces.

d-3. Elimination of the Council of the Revolution and of all forms of feudalization or of granting privileges to groups is one of the basic points in the Alliance's constitutional revision program, moreover because only in that way will it be possible to ensure the univocality and the genuineness of democratic authority on the whole and to restore in the Armed Forces the chain of command that is the source of the legitimacy of the military command.

d-4. The Armed Forces must be incorporated in the chapter on "National Defense," which could provide for the existence of a Higher National Defense Council.

In addition to that, they would be regarded as guarantors of the nation's sovereignty, security and unity as a whole and of democracy, but not as guarantors of any specific political regime at present or in the future, even if it is constitutionalized.

d-5. With regard to the Assembly of the Republic, the roles of the parliamentary committees and of the parliamentary groups should be enhanced, in order to strengthen Parliament's ability to operate. In addition, the number of deputies should be decreased and account should be taken of the fact that the interim elections will give rise to a new legislature.

d-6. A second chamber should be created in Parliament, representing our country's professional and local interests, with members from the autonomous regions, local self-governments, communities of emigrants and the territory of Macau.

d-7. In the relations between Parliament and the government, the Democratic Alliance believes it adequate for requirements for express approval of the government's program to be included as a prerequisite for its survival in Parliament and for nomination of the candidate for prime minister in the second motion of censure submitted against a government in the Assembly of the Republic and for a maximum time limit to be specified for approval of censure motions giving rise to the government's resignation.

d-8. With regard to the government, simplification and shortening (?) of the process for forming governments and for their parliamentary investiture, expansion of their own competency and their effectiveness and ability to operate, proper determination of the powers of governments that have resigned while they still are functioning, as well as administrative governments.

d-9. Sanctioning of political and ordinary legislative referendum is proposed.

d-10. With regard to the president of the Republic, a stricter specification of his responsibilities in the area of national defense and foreign policy is required, in order to avoid overlapping, accumulation and conflicts to which the constitutional practice has given rise in that field.

d-11. With regard to the judiciary branch, a constitutional court should be established. It should be incumbent on it to examine unconstitutionality because of action, although preventive examination and unconstitutionality because of omission should be eliminated. The jurisdictional function should be enhanced and dignified and also judges, by setting up the courts as a true judiciary branch.

d-12. Concerning autonomy, the minister of the Republic must be regarded as representing sovereignty and not as a member of the central government. The powers of the autonomous regions must be expanded. The system of approval of their respective statutes must be changed for the purpose of strengthening their statutory authority among autonomous regions and the solution of political-constitutional conflicts emerging from their respective decisions must be incumbent on the Constitutional Court.

d-13. It is also necessary to intensify administrative decentralization and, in general, local self-administration and to modify the system for electing municipal councils, for the purpose of making it possible for stable, unified majorities to be formed there, instead of the system of automatic, forced coalition in effect at present.

e. With regard to the constitutional revision, matters regarded as limiting the power to revise the Constitution must be restricted, taking into account, in principle, as such only those matters corresponding to the essential core of the values of democracy, of freedom and of the Portuguese Republic: fundamental rights, separation of powers and Republican nature of the Portuguese state.

In addition to that, the majority required for exercising the power of revision should be changed, for the purpose of facilitating constitutional adoption and flexibility.

Obviously, the transitory provisions of the present Constitution will also be eliminated.

V.

It is true that the next Assembly of the Republic will not have revision powers, in accordance with the present Constitution.

The parties in the Democratic Alliance agree, however, to the possibility and need for a constitutional referendum that, moreover, the present Constitution does not rule out. In fact, a referendum is a democratic means and a maximum expression of the people's sovereignty. It is probably even the only way entirely to restore to the people their constituent democratic

sovereignty, a great part of which was expropriated illegitimately by the Council of the Revolution, when it intervened in two military pacts.

Moreover, when the constituted powers fail or an institutional crisis becomes evident, only recourse to the original constituent power of the people makes solution of the crisis possible. In those cases, the solution to the problems can no longer be found merely in a new government program, but, rather, in a new doctrine, in a new constitutional organization. This recourse must be accomplished within the framework of the law and not arbitrarily or attributively. Therefore, the parties in the Democratic Alliance are undertaking to prepare a referendum law that will make it possible to have recourse to this kind of participation by the people in shaping the institutions. This referendum should be especially designed to obtain from the Portuguese people a decision that will make it possible to set aside the material limitations (article 290) and the formal limitations (two-thirds majority of the deputies) preventing a true revision of the Constitution, in addition to giving revision powers to the assembly then elected. Only a direct expression by the people can override those limitations.

In addition to that, all the legislative and administrative action by the new majority to be obtained by the Democratic Alliance should be guided by the spirit and be within the systematic framework of the struggle for the new Constitution to be prepared in accordance with the principles outlined in this program. In this field and independently of the referendum itself, it is possible to conceive of the immediate preparation of great outline laws or organic laws that will make constitutional development possible planned in accordance with the goals specified in this program.

10,042
CSO: 3101

PCP COMMENTARY CRITICIZES SPAIN'S SUPPORT OF U.S.

Madrid MUNDO OBRERO in Spanish 20 Apr 80 p 5

[Article by Raul Jucar]

[Text] Oreja and the Queen of Sheba

When news agencies say that "Spain will support the measures that the countries of the EEC take against Iran" and that "Spain makes common cause with the United States in the Iran crisis," they mean, I imagine, that the Spanish Government, Spain's foreign affairs minister and UCD [Democratic Center Union] deputy Marcelino Oreja support and make common cause with the United States in the case of the spies that the Iranian people have trapped at the Tehran diplomatic office. If there are 35 million Spaniards who support and make common cause with the United States, just leave out this modest feature writer, and then there will be only 34,999,999. Now that you have left us without fish, with the entire fishing fleet in a war against the Muslims, it also turns out that you want to leave us without oil in which to fry the fish. The policy that you are pursuing is like that of the dumbell who sold his car to buy gasoline. You have placed Spain, which barely has any role in the cold war, in the tight spot of being left without heat.

If Europe is a constellation of satellites revolving around the Pentagon, then Spain is an asteroid. When the empire's high-level dignitaries want to impart imperialist doctrine to their accomodating European partners, they go to London, Bonn, Paris and The Hague but never stop in Madrid. But our availability, our solidarity, our support, our subservience (the availability, the solidarity, the subservience of the UCD) is that of poor relations and useless fools.

Then, President Suarez says that Spain is a "middle-level power," that its foreign policy will be sovereign, independent and free even at the outset of the UCD millenium "of nonalinement." And now it turns out that the UCD ideology is anti-Shiite, pro-Kissingerist, reacting more vigorously when a U.S. Embassy is invaded than when our own embassies are invaded, burned and attacked.

There must be a solid consensus among political forces with regard to foreign policy, and indeed there is in consistent countries. The vital interests of a people must be placed above the interests of a party. But if Mr Oreja goes to Washington to render homage to the hawks of the world and gets us into wars and disputes that are not our own, thus endangering our security, our energy supplies, and sticking his nose into the U.S. election campaign while supporting the aggressiveness, arrogance and militarism of a policy of gunboats, blockades and armed intervention against a sovereign and independent people, then no one in this country with common sense can support this servile meddling of our foreign policy.

While the countries of Europe do their best to parry the American demand to blockade Iran, because the petroleum spigot is vital to the furnaces of the industrialized nations, Minister Oreja presents himself to Carter with the same devotion and homage that he would show if he were bowing before the Queen of Sheba.

8743
CSO: 3110

SLIGHT INCREASE IN FOREIGN DEBT REPORTED

Madrid ABC in Spanish 17 Apr 80 p 37

[Text] At the end of last year, Spain's foreign debt totaled $16.621 billion at official exchange rates. The figure was $15.863 billion at the close of the third quarter last fiscal year and $14.727 billion at the close of 1978. The public sector accounted for $7.51 billion of the total debt as of the last quarter of 1979 (INI [National Institute of Industry] enterprises chalked up $3.193 billion of this), and the private sector for $9.111 billion, according to the statistical bulletin of the Bank of Spain.

At market exchange rates, Spain's foreign debt totaled $19.461 billion at the close of last year, as compared to $18.727 billion at the end of the previous fiscal year.

With regard to the public sector, we should point up the steadily increasing foreign indebtedness of INI enterprises, which has risen from $428 million in 1973 to the aforementioned $3.193 billion last year. The debts of the INI holding company are also considerable, though the rate of growth has been slower, rising from $135 million in 1973 to $407 million last year. Spanish National Railroads, whose foreign debt totaled $241 million 7 years ago, now owes $946 million.

Government Debt--According to the same statistics, the government's debt amounted to $1.688 billion at the close of the fiscal year, compared to just $452 million in 1973. The foreign debts of the remaining public agencies have increased from $335 million in 1975 to $1.276 billion as of the last quarter of 1979.

Private Sector--Lastly, private sector debts with state backing have surged from $481 million in 1973 to $1.319 billion at the close of 1979, while indebtedness without state backing has jumped from $1.832 billion 7 years ago to $7.792 billion.

Reserves--At the end of February, foreign exchange reserves totaled $12.756 billion, after a sharp drop ($600 million) from the previous month.
8743
CSO: 3110

BRIEFS

VEHICLE EXPORT FIGURES PUBLISHED--Spain exported a total of 472,745 vehicles in 1979, worth 120 billion pesetas. This was an increase of 15 percent in volume and 19.8 percent in value over 1978, according to ANFAC. By subdivision, 424, 395 passenger cars were exported, worth more than 80 billion pesetas. This represented a rise of 16.8 percent in volume and 20.6 percent in value over the 1978 figures. Industrial vehicle exports in 1979 totaled 36,773 units, worth 12.594 billion pesetas; these are increases of 15.7 percent and 26.7 percent, respectively, over 1978. [Text] [Madrid EL PAIS in Spanish 23 Apr 80 p 45] 8743

CSO: 3110

FALLDIN, PALME, THAM COMMENT ON LIBERALS' ROLE

Fallidin: Signs of Better Climate

Stockholm DAGENS NYHETER in Swedish 18 Apr 80 p 8

[Article by Ake Ekdahl]

[Text] Is the Liberal Party necessary? How will it handle its present identity crisis that has led to low figures in the opinion polls? There was a lively debate on this at the extra Liberal congress held in Umea at the beginning of May. DAGENS NYHETER asked Prime Minister Thorbjorn Fallidin (Center) and opposition leader Olof Palme (Social Democrat) about their views on the problems of the Liberal Party. At the same time the Liberal Party's "chief ideologist," Carl Tham, said in Uppsala on Thursday that the party must not give in to various pressure groups.

"The three government parties are equal partners with a program all three should defend. Therefore an organized central cooperation within the government would upset the working climate."

Prime Minister Thorbjorn Fallidin made that statement to DAGENS NYHETER in response to a question as to whether central cooperation was again necessary to counteract a strong right wing in Swedish politics.

"In the first place we must take opinion surveys for what they are. But I place great value in the very clear declarations that show the Liberal Party is prepared to continue the government cooperation the party went into in the fall of 1979," he said.

In the government cooperation the Center and Liberal parties are very close to each other, the government program has moderate political characteristics and there are signs of an improved climate of cooperation between the two parties in his view.

"There are chances for concrete cooperation in the government. I would also like to see the parliamentary groups and party organizations expand on this cooperation. The Center Party has shown open interest in such a course all along," Fälldin said.

Thoughts of central cooperation come and go for both parties.

"Our attitude toward this is positive in the Center Party and we are prepared for it but we don't force ourselves on anyone. The idea of greater openness has been formulated in the Liberal Party recently. I have made a positive note of that," said Fälldin.

No Partial Cooperation

But the line for organized cooperation is drawn at the threshold of the chancellery.

"If the government's program is not carried out the pressures on the government will increase. There should be no questions about the program from any quarter.

"In a three-party coalition one should not deliberately create situations involving partial cooperation in any formal respect," he said.

Asked if the Liberal Party functions as a left-wing party in the government, if a Liberal Party is really needed in Swedish politics and if the Liberal Party protects the weaker social groups more than other non-socialist parties Fälldin answered evasively.

Liberals themselves often make claims of this sort.

"There is no reason for me to set the seal of approval on the Liberal Party in various areas. Our starting point is that the Liberal Party is included in the government. This right-left division in the traditional sense has become increasingly questionable, especially during the energy debate. I know from practical experience that the Liberal Party is not a socialist party."

Fälldin was one of the people who strongly urged a merger of the Center and Liberal parties in the late 1960's and early 1970's.

Today he won't even discuss the matter. He won't even say if the reasons for it are still valid.

"The discussion is unnecessary since there is no basis for a merger.

"I will simply say that this has not been discussed for 6 or 7 years either internally or between the parties. Thus I don't know what the

obstacles might be today. In the fall of 1973 when the question was relevant there were divided opinions on the timetable for a merger of the parties. Then the debate died down."

Does he personally have the same positive attitude toward a merger now that he had 7 years ago?

"That is not very important since the debate is not going on now. I have no occasion to bring the matter up again when I know it wouldn't lead to anything."

Palme on Cooperation With Right

Stockholm DAGENS NYHETER in Swedish 18 Apr 80 p 8

[Article by Sven Svensson]

[Text] "Sooner or later the bloc policy will break down."

That conviction was voiced by opposition leader Olof Palme in an interview on the current identity crisis of the Liberal Party which has led to low figures for the party in the opinion polls. Palme declared that cooperation with the right would not solve the Liberal Party's problems and emphasized that the Social Democrats were not considering a request for cooperation.

In 1978 by abstaining from voting the Social Democrats boosted the Liberal Party into ruling status in the hope of breaking up bloc policy.

There was sharp criticism of this cooperation in Social Democratic ranks. After the 1979 election Palme was the first to ask for the resignation of the Liberal government.

Both Liberal Party leader Ola Ullsten and the party's second in command, Jan-Erik Wikstrom, have rejected the idea of organized cooperation with the Social Democrats recently since the cooperation on Line 2 in the popular referendum had such poor results.

How does opposition leader Palme react to these statements?

"It has been a tradition in the Liberal Party to reject cooperation with the left on the basis that this would lose the party nonsocialist votes," Palme said. "To avoid losing these votes the Liberals have to cooperate with the right.

"The cooperation with the Conservatives on the government level has shown that cooperation with the right leads to losing voters to the right. Cooperating with the right does not seem to be a solution to the problems of the Liberal Party," said Palme.

Independence Good

"I think an independent liberalism is good for a society," Palme continued. "Independent liberalism with an open, democratic attitude can fill a vital function, for example in cultural and social policy areas as a representative of the radical middle class.

"But this liberalism runs a constant risk of being swallowed up by the right wing," Palme said. We have seen that in many countries, in Norway and elsewhere.

"That might happen to the Swedish Liberal Party too.

"That is the risk they run.

"The secretary of the Conservative Party, Lars Tobiasson, has openly threatened to swallow up the Liberal Party," continued Palme. "Tobiasson wrote straight out in SVENSKA DAGBLADET that if the Liberal Party didn't do what the Conservatives wanted they would be wiped out.

"The risk is always there," Palme said, "but it's not as glorious to be swallowed up by the Conservatives as it is to fight for Liberal ideals."

But are the Social Democrats interested in organized cooperation with the Liberal Party?

"That is a meaningless question as far as we're concerned," Palme replied. "The Liberal Party has rejected the idea. We can't stand around and beg for cooperation. It's something we don't need to worry about."

But without cooperation how will it be possible at some point in the future to provide a sufficiently energetic government alternative?

"Any good government alternative in Sweden depends on a strong Social Democratic Party or, God forbid, a very strong right wing.

"A strong Social Democratic Party means having a majority in parliament or, as we have seen in the past, being able to create broad majorities in parliament in various forms.

"Creating broad solutions in a unicameral parliament is more difficult than in a bicameral parliament. That is why I tried to break down bloc lines in the 1970's," Palme stated.

"I think that is the only possible way to get a stable ruling power in Sweden, whatever form this takes. I now find that the nonsocialist parties are pursuing a rigid bloc policy. They can go on doing that

until it destroys them. For eventually that course will lead to destruction," Palme guaranteed.

Tham: Protests Could Mount

Stockholm DAGENS NYHETER in Swedish 18 Apr 80 p 8

[Article by Ake Ekdahl]

[Text] "The 1980's could be the decade of the protest movements. The politicians must get the nation's economy back on its feet. Otherwise the improved quality of life many people are rightly calling for will have to wait and currents of protest would increase in this country."

So reasoned Liberal Party ideologist Carl Tham in a speech to the Heimdal student association in Uppsala Thursday evening. Tham was instrumental in writing the present Liberal Party program 10 years ago. Now he indicated the problems that can be expected in the next 10 years. There are many warning signals for politicians.

"The welfare state is threatened by economic problems as are beliefs in research, progress, the importance of knowledge, social reform and representative democracy," Tham said.

"If people see that the political machinery is not functioning their faith in politicians and centralized state power is undermined. Instead people cling more to interest groups and pressure groups in an increasingly ruthless fight for resources," he said.

Spiral of Discontent

The result is a downward spiral of discontent.

Tham rejected conservatism. Its policies strike at the weak members of society. He did not approve of planned economy either.

"The planning looks good on paper but the results are seldom what was intended," he said.

"The hope for the 1980's is to get industrial growth going. The economic problems are so big that they actually threaten the social security system," Tham said.

"This growth policy often runs directly counter to the other 'non-material' demands now being formed with such strength. Improved quality of life in the form of a good environment, shorter work hours, etc.

costs money and requires an efficient industrial sector. And that is just what in some ways appears to be hostile to the values we wish to promote," he said.

Rope Trick

Tham saw this as the rope trick of the 1980's: creating an efficient production while at the same time achieving the modernism which the protests are all about.

"If this is not done there is a grave risk that the nation's economy will not get on its feet again and that the feelings of protest will be strengthened. We will have a combination of economic discontent and unrest about which way developments are heading then opportunistic politics could make a strong breakthrough."

Tham did not name the political parties he considered opportunists. But recently the Leftist CP was criticized for opportunism in parliament by Social Democratic leader Olof Palme among others.

"In such a situation things would be really dangerous," Tham said.

"Listening to groups and small communities is not the same thing as always doing what they ask. It takes a certain amount of courage to point out this obvious circumstance. But if we don't we will quickly end up in a situation involving conflicts between ideology and action."

6578
CSO: 3109

LIBERAL FOREIGN MINISTER ULLSTEN WARNS ON ECONOMY

Stockholm DAGENS NYHETER in Swedish 24 Apr 80 p 2

[Article by Foreign Minister Ola Ullsten]

[Text] The measures that must be taken now will be felt by many. Similarities with what used to be called right-wing policy will be pointed out. But the aim behind the measures soon to be announced by the government is to salvage the welfare policy right-wing forces have at all times opposed. So says Liberal Party leader and Foreign Minister Ola Ullsten in his article signaling a tight austerity policy move on the part of the government.

During most of the postwar period the policy goal has been to slice equal pieces from a rapidly growing cake. The current imbalance in the Swedish economy is forcing the parties to implement a fair austerity policy, a very difficult job.

What we are confronted with is the consequence of having committed ourselves to expenditures in excess of the anticipated growth in our resources. No country can live like that for very long. Now we are simply forced to adapt our spending, both public and private, to our actual resources.

The measures that must be taken now will be felt by many. Similarities with what used to be called right-wing policy will be pointed out. But the aim behind the measures soon to be announced by the government is to salvage the welfare policy right-wing forces have at all times opposed.

What has happened to the economy? How did we end up in this difficult situation?

In the 1970's we continued a rapid expansion of the public sector. Health care, care for the elderly, child welfare and schools received increased resources. We also undertook other reforms that helped make life more worthwhile for many groups--for example expanded parental leaves. All these were and are important elements in security and welfare. The Liberal Party pushed for these reforms and we do not wish to have them undone.

But along with this rapid expansion the ability of our industries to compete on the foreign market declined. Companies had a harder time selling their products and lost a share of the market. The Swedish business sector shrank in relation to the rest of the world in a situation in which it should have expanded rapidly in order to hold up a growing public sector.

In addition came the dramatic oil price increases that in one blow totally changed our possibilities for balancing our foreign trade. A declining trade balance and a reduced industrial sector made it hard to finance the public sector.

Not enough attention was paid to this even though signs were seen of a beginning imbalance as far back as 1970-71. In 1970-71 the national budget deficit was 1.5 percent of our gross national product. In 1974-75 it had increased to 4 percent and in 1979-80 it was 10 percent.

During the entire period of the 1970's spending in the state budget increased roughly 6 percent while revenues leveled off at 4 percent.

Borrowed Our Way

Thus for many years we have spent in advance of receipts, we have borrowed our way along. We lived as if we were richer than we really are. That can be done for a while but not forever.

Of course it can be said that the budget deficits would have been smaller if taxes had been increased more. But one must also bear in mind that in the 1970's the tax burden rose from 40 percent to 53 percent. And no one can claim that taxes could have been raised enough to eliminate budget deficits altogether. That would have meant increasing tax burdens by an average of another 10 percentage points. If we had done that the result in the difficult period in 1977-78 would have been substantially higher unemployment.

I have never been one of those who regard business life as a nourishing sector and the public as a consuming sector. But we are now in a situation that forces us to say that our ambitions to improve welfare exceed the resources of our total economy.

Therefore the most important economic task in the immediate future is to pursue a policy that provides room for growth and thus helps us to catch up. This requires industrial expansion while the public sector is held in check.

This task is vital for all parties and politicians who feel that an extensive common sector is appropriate for the future too.

What is needed is a check, not a reduction, of the public sector. This means that expansion should be limited to a few percentage points, compared to rates two or three times that for many years now.

One may be tempted to think that the problem is simple if it involves "only" a reduction of the rate of expansion. But that is not the case. Even now automatic cost increases that were previously legislated and changes in the composition of the population lead to an expansion rate that is higher than we can allow ourselves. Past decisions were made on the basis of resources we don't have.

Will Be Felt

This means that we will have to reexamine much of what we have already decided. And if they are to mean anything the cutbacks will be felt by most of the population.

We can't save money without really affecting anyone and it is unrealistic to believe that we can simply clamp down on a few rich people. The "rich" are not rich enough and there are too few of them to limit the steps that must be taken to them alone. The truth is that most of us will be hit by the cuts that will be made.

But we must avoid hurting those who are truly weak. The question is to identify these groups. There is a tendency in this respect to call almost every group in society weak, families with children, the elderly, home owners, renters, etc.

It is true that there are families with several children who have a hard time buying enough food to go around. But there are also families with one child in which both parents have well-paid jobs.

And it is true that there are retired people who have a hard time paying for the vital necessities. But there are also retired people with incomes as high as those of fulltime workers.

We must accept the fact that many of us will feel the effects of the cuts and that we will also be hit by tax increases.

Of course it will be a shame if we have to raise taxes on summer houses, charter trips and recreation boats, but it would be worse to have to take steps affecting the handicapped or the developmentally impaired.

Of course people will feel it if we are forced to limit the right to deduct interest on credit card purchases but it would be worse if the retired people with no ATP [Workers' Supplemental Pension] had to get along on less money.

Of course it would be a burden if we raise energy taxes and thus increase rents and car expenses but it would be worse to have to make savings that would hurt the seriously and chronically ill.

These are only examples. But we will be faced with this kind of choice. It is a matter of choosing the least painful course, one that does not hit those who are already vulnerable: pensioners with no ATP or a small additional pension, the handicapped and developmentally impaired, families with average incomes but with many children, etc.

The poor people in underdeveloped countries are also among the weak. We are the ones who must tighten our belts or at least not let them out as rapidly as we have in the past. We are the ones who have been living above our resources, not the people in underdeveloped countries. It is true that we are facing difficult problems but compared with the problems these countries must overcome our worries are few.

A drastic austerity policy must appear reasonable and fair. So we can't accept a tax system that allows millionaires to pay nothing in taxes, live well off the fruits of the deduction jungle or get away with tax fraud because the police and the tax authorities lack the resources to keep track of them.

The Liberal Party policy therefore is to try to implement measures that divide the burdens fairly and make industrial expansion possible.

How well we succeed with this policy will determine the reality ahead of us at the end of the 1980's. If we don't manage to make the necessary adjustments now we will be hit much harder later on in a way we won't be able to handle by ourselves. And if we lose control over the economy unemployment will soar. If anything this is hardest on the weakest group, those with the fewest chances of getting new jobs.

Therefore the important element in the cuts needed now is securing the welfare of those living at the end of the 1980's and in the 1990's. We could of course continue to expand rapidly for a few more years without worrying about it. But if we do that there is every reason to proclaim: after us the deluge.

6578
CSO: 3109

POLL SHOWS LIBERALS ARE VOTERS' LEADING SECOND CHOICE

Stockholm DAGENS NYHETER in Swedish 27 Apr 80 p 7

[Article by Sven Svensson]

[Text] The latest voter polls give the Social Democrats 43-44 percent of the vote and 21 percent did not list a second choice. If voters chose their second choice the Social Democrats would lose 22 percent and gain 7 percent. Of those who might vote for another party 1 percent would vote Conservative, 8 percent would vote Liberal, 5 percent would vote Center, 6 percent would vote for VPK [Leftist CP] and 2 percent would vote for smaller parties. Of the voters who might cross over to the Social Democrats 1 percent would come from the Conservatives, 2 percent from the Liberals, 2 percent from the Center Party and 2 percent from VPK.

The Liberal Party received 8-9 percent in the poll and the solid core that did not list any second choice amounted to 2 percent. If voters went for their second choice the Liberals would lose 5 percent and gain 16 percent.

In round figures those leaving the party would split up like this: 2 percent would vote Conservative, 2 percent would vote for the Center Party and 2 percent would vote for the Social Democrats. Of possible votes to be gained 5 percent would come from the Conservatives, 3 percent from the Center and 8 percent from the Social Democrats.

Liberals Up, Palme Could Risk Decline

The Liberal Party has a good chance to make gains and the Social Democrats clearly risk losses.

This was demonstrated by an investigation of voters' second choices which the Institute for Market Research (IMU) conducted for DAGENS NYHETER.

One voter in four listed the Liberal Party as his or her second choice.

The Social Democrats risk losing much more than they might gain.

The survey of second choice parties was based on opinion polls made in February and March.

Each voter who was asked to give his first choice of political parties was also asked about his second choice.

According to the survey 25 percent of the voters feel the Liberals are the second best, 20 percent named the Center Party, 12 percent the Conservatives, 12 percent the Social Democrats, 10 percent VPK and 7 percent smaller parties while 15 percent would not name a second choice party.

Through the alternative parties listed as second best voter trends can be analyzed. Voters who say there is little difference between their first and second choice parties are potential party switchers in the next election.

From the survey one can determine the solid core of voters in each party and potential vote gains and losses.

The situation is a sharp contrast for the Social Democrats. Half the party voters are secure sympathizers but the net difference between inflow and outflow is a large minus.

In an extremely favorable political situation the Liberal Party could be almost twice as large with around 20 percent of the voters while under unlucky circumstances the Social Democrats could lose a third of their voter support and end up with 30 percent.

Conservative sympathizers constitute 12 percent of the voters. The potential loss is 10 percent and the potential gain is 8 percent. Thus the risk of loss outweighs the chance of gains for the Conservatives.

Outflow and Inflow

Five percent of the outflow would go to the Liberal Party and 4 percent to the Center Party. Two percent of the inflow would come from the Liberal Party and 5 percent from the Center Party.

Compared to an earlier survey published in January the outflow declined by 3 percent and the inflow by 1 percent.

The Liberals have 2 percent of the voters as sure sympathizers. The potential outflow is 5 percent and the potential inflow 16 percent, a surplus of 10 percent after the figures are rounded off.

Of the outflow 3 percent would go to the Conservatives, 2 percent to the Center Party and 2 percent to the Social Democrats.

Five percent of the inflow would come from the Conservatives, 3 percent from the Center Party and 8 percent from the Social Democrats.

The survey shows clearly that the Liberal Party is the second choice of Social Democratic voters. Compared with the last survey the percentage of Social Democrats listing the Liberal Party as their second choice rose from 6 to 8 percent.

The Center's solid core amounts to 6 percent of the voters. The outflow is 11 percent and the inflow 12 percent.

Five percent of the outflow would go to the Conservatives, 3 percent to the Liberals and 2 percent to the Social Democrats.

Four percent of the inflow would come from the Conservatives, 2 percent from the Liberals and 5 percent from the Social Democrats.

The solidly Social Democratic core is 21 percent of the voters. The outflow is 22 percent and the inflow 7 percent. Thus there is a 15 percent deficit and Palme is living dangerously.

Of the outflow 1 percent would go to the Conservatives, 8 percent to the Liberals, 3 percent to the Center Party and 6 percent to VPK.

One percent of the inflow would come from the Conservatives, 2 percent from the Liberals, 2 percent from the Center and 2 percent from VPK.

Compared with the last survey the outflow to the Liberal Party rose from 6 to 8 percent and declined from 8 to 6 percent in the case of VPK.

VPK has the solid backing of 2 percent of the voters, an inflow of 3 percent and an outflow of 6 percent. The difference is 3 percent.

Solid Backing of 2 Percent

Two percent of the outflow would go to the Social Democrats and the inflow of 6 percent would come from the Social Democrats.

Compared with the last survey the difference between inflow and outflow declined from 6 to 3 percent.

The voter survey on second choice parties indicates three tendencies. The exchange of nonsocialist voters occurs primarily between the Center and Conservative parties; voter switching across bloc lines occurs mainly between the Social Democrats and the Liberals; and on the socialist side the Social Democrats seem likely to strengthen their position at the expense of VPK.

6578
CSO: 3109

DESERTING COALITION WOULD RISK HASTENING LIBERAL DECLINE

Stockholm SVENSKA DAGBLADET in Swedish 16 Apr 80 p 2

[Editorial]

[Text] Several leading Liberal politicians have recently made it quite clear that the Liberal Party has no plans whatever of leaving the government coalition before the expiration of the mandate period.

This message has undoubtedly been a source of satisfaction both inside and outside the Liberal Party.

A major reason for the party's shifting opinion poll figures is that the voters don't really know where the modern Liberal Party stands. This uncertainty has grown recently.

The whole thing started in the fall of 1978 when the Liberal Party--with the help of the Social Democratic abstention in parliament--decided to form a government on its own. Whether intentionally or not the Liberal leaders gave many voters the impression of having ridden roughshod over the Conservatives.

After that the Liberal opinion poll figures soared to the top for a short time, producing a giddy sensation of power and a disinclination to seek reinforcement for government policies from the former coalition partners.

The reaction was understandable--but in the long run it did not do anything to strengthen Liberal popularity among the voters.

Add to that the repeated declarations by people high up in Liberal circles about the need to cooperate across bloc lines.

And then there was the Liberal cooperation with the Social Democrats on Line 2 in the referendum, the youth league's campaign against a three-party coalition, etc. It isn't really so strange that the voters wonder which way Ola Ullsten and his party leadership are really heading.

And then there have been the constant indications that the Liberals are willing to swing out at both the left and the right! And finally there is the fact that the leaders of the Liberal Party and those of the Social Democratic Party can be hard to tell apart in intellectual respects! It's certainly not surprising that the voters are beginning to wonder.

Presumably all the speculation that the Liberals are planning to leave the government is unfounded. At least no prominent Liberals have had any such plans.

In reality the situation does not call for a new election. If the Liberals topple a nonsocialist government the party would be taking a very risky step.

In other words there is every reason to believe the assurances of the Liberal leaders that they intend to carry out their commitment to the three-party coalition government.

But there are things that should be said about the explanations now being given for the Liberal slip in the opinion polls.

Ola Ullsten is rejecting all speculations concerning a Social Democratic-Liberal cooperation as malicious rumors. Education Minister Jan-Erik Wikstrom feels that political opponents have tried to stamp the Liberal Party as unreliable from a nonsocialist point of view.

Unfortunately it is not primarily malicious opponents who are responsible for the slipping survey figures. Things are not that simple in politics. The party's own actions have certainly been the most active mechanism in the process that led to the Liberal Party losing ground so rapidly.

SVENSKA DAGBLADET has already given many examples of how the Liberal Party's behavior created uncertainty concerning party strategy. The Liberal Party has simply managed to arrange matters so that the party appears to be less stable than for example the Conservatives.

The Liberal Party certainly has a legitimate right to try to stop the flood of voters going over to the Conservatives. But here too we have reason to question the party's tactics.

Thus even leading Liberals have begun to talk about "fringe parties." They apparently think they can convince the voters that the Conservative Party is some kind of extremist party comparable to the Leftist CP.

It is possible the talk about fringe parties will satisfy members of the Liberal youth group. But for most nonsocialist voters the parallels

between a democratic party and a party that still professes Leninism are highly offensive.

For others it is hard to understand why the Liberal Party would wish to rule together with a "fringe party."

We must greet with satisfaction the strong and deliberate Liberal statements that the cooperation in the government will be maintained.

It would be even better if the party could avoid moves that lead to voter uncertainty as to where the Liberal Party stands in Swedish politics!

6578
CSO: 3109

CIVIL SERVANTS' CARTEL OFFICIAL: STRIKE PAID

Stockholm DAGENS NYHETER in Swedish 12 May 80 p 7

[Article by Bjorn Anders Olson]

[Text] "This was one of the few strikes that paid off. The settlement is a relatively good one. I am satisfied even though a negotiator is never really satisfied."

So said KTK [Negotiating Cartel for Government Officials] chairman Bjorn Rosengren to DAGENS NYHETER after the settlement in the public sector was ready just before 1800 hours on Sunday.

All the strike leaders were satisfied with the settlement.

"It's satisfactory. We have achieved quite a bit. We're quite close to our original demand," said Hans Hellers, chairman of TCO-S [Central Organization of Salaried Employees, public employee division].

"It's satisfactory," Sigvard Marjasin of the Municipal Workers Union said too, continuing:

"We have managed to uphold our buying power as long as the government doesn't take drastic steps to change this."

"The settlement is acceptable," said Lars-Erik Nicklasson of the State Employees Union. "Our employers started out like a branch of SAF [Swedish Employers' Confederation]. We have changed all that. We helped dictate the terms of the settlement," he said.

Strike Necessary

Bjorn Rosengren did not believe state, municipal and county employees would ever have achieved this contract without the strike and Hans Hellers agreed:

"It was necessary to resort to confrontation to assert our interests and our organized rights. But it is regrettable that we were forced to take this step."

Employers were not as overjoyed.

"We accepted the offer for the sake of labor peace," said the head of the Employers' Agency, Karl Lennart Uggla.

"Everyone knows this is inflationary," he said, adding that there will now be increases in both prices and in state and municipal fees.

He also said it would be hard to finance the wage increases.

This would have to be done through foreign loans and Karl Lennart Uggla regarded that as almost impossible at interest rates of 20 percent.

Higher Taxes

The only alternative the head of the Employers' Agency could see was raising taxes.

Lars Ahlvarsson, negotiations chief of the Municipal Employees Union, said no one benefited from Sweden's having stood still this long.

He also denied that there had been any contacts between the government and the public employers with regard to the size of the settlement.

The wage earners were satisfied with the settlement. They estimated the agreement would give them an average increase of 9 percent or more.

It wasn't just the four big organizations--those involved in the conflict--that received new contracts Sunday.

Also SACO/SR

All public employees belonging to SACO/SR [Central Organization of Swedish Academic Workers/National Federation of Government Employees] signed the same contract as the four large organizations.

"But we are dissatisfied," said negotiations chief Benne Lantz.

He was most displeased with the fact that SACO/SR like everyone else did not get any retroactive wage hikes even though the organization did not participate in the conflict.

"That's a slap in the face. That is political organization policy," said Benne Lantz.

6578
CSO: 3109

WAGE RAISES IN NEW PACT DETAILED

Stockholm DAGENS NYHETER in Swedish 12 May 80 p 7

[Article by Bo A. Ericsson]

[Text] Wage increases of around 220-350 kronor for private and public employees in the "most common" wage brackets--that is the major element in the offer to members. DAGENS NYHETER has already reported in detail on the contents of the offer (in yesterday's edition). This is a brief recapitulation.

LO [Swedish Federation of Trade Unions] Aspect

There will first be a lump sum payment of 320 kronor to everyone. Part-time workers will get 160 kronor. The money will be paid before the vacation period.

Then there will be these payments among others:

Another 75 ore an hour will go to everyone starting 15 April (about 125 kronor a month).

An equalization supplement will be paid as of 15 April--for those receiving around 30 kronor an hour, an average wage in LO, this means 54 ore more an hour (or around 90 kronor more a month).

There will be a payment of 60 ore more an hour starting 1 July to all who have not had wage drift (about 100 kronor more a month).

Including this "advance" on wage drift wage increases will look about like this after 1 July:

20 kronor will be 22.34 kronor
25 kronor will be 27.07 kronor
30 kronor will be 31.89 kronor

35 kronor will be 36.66 kronor
40 kronor will be 41.44 kronor

If prices rise more than 2.8 percent from March to October there will be an additional increment of 1 percent on 1 December.

Lump Sum Payment for State Employees

State, municipal and county employees will also receive a lump sum payment of 670 kronor for everyone (335 kronor for those working less than halftime).

These are the major provisions in addition to the lump sum payment:

A general supplement for everyone starting 1 June, partly in kronor, partly in percentages. The kronor hike will be around 130 kronor, the percentage increase 2.25 percent. For those receiving 6000 kronor a month--the average for state employees--this will be 265 kronor in all.

The extra for all those earning less than 11,000 kronor a month will be 1 percent of the difference between the wages received and 11,000 kronor.

There will be a further increment for those earning under 7000 kronor, amounting to 2 percent of the difference between wages received and 7000 kronor.

In all the increments mentioned above will provide the following approximate monthly wages starting 1 June:

5000-5500 kronor will increase 338 kronor
5800 kronor will increase 338 kronor
6300 kronor will increase 335 kronor
6800 kronor will increase 330 kronor
7500 kronor will increase 338 kronor
8000 kronor will increase 342 kronor
9000 kronor will increase 356 kronor
10,000 kronor will increase 370 kronor

Compensation will be paid from 1 December for wage drift on the private side: this will give around 40-50 kronor.

There will be price increase compensation also from 1 December amounting to 1 percent if prices have risen more than 2.8 percent from March to October.

That gives a rough idea of the consequences of the wage offer.

6578
CSO: 3109

EMPLOYERS ASSOCIATION SUFFERED DEFEAT TO END STRIKE

Stockholm DAGENS NYHETER in Swedish 12 May 80 p 2

[Editorial]

[Text] The big conflict is now over. The subway is operating, the sick are being cared for, factories are producing again and prices are rising. Everything is back to normal. Many will say that we should be grateful that "good sense prevailed."

Going against all the tips and sensible advice SAF [Swedish Employers' Confederation] refused to give way. It was a theatrical show, Olof Palme said in AKTUELLT. The government's appeal and SAF's final capitulation had been planned in advance. That is possible. Many people needed to save face.

Curt Nicolin became SAF chairman against the background of the catastrophic 1975 contract negotiation. The state set the pace for wages at that time by signing a 2-year contract with civil servants before the private labor sector was through negotiating. SAF was confronted with an accomplished fact. The state contract was used as a guideline in the settlement with LO [Swedish Federation of Trade Unions]. Under the threat of a conflict SAF later went along with an even costlier agreement with PTK [Negotiating Cartel for Private Employees].

Never again, thought the employers who then elected Nicolin chairman. The nation got a nonsocialist government that staked all its power and all its prestige on solving the problem of industrial costs.

SAF's defeat now is much worse than the one 5 years ago. This was just what was not supposed to happen. It had been decided that 1980 should be the year when developments changed. The problems will just get worse if we postpone them. SAF spent millions on economic information and shaping public opinion. Support was available from a government which promised that the private sector would lead the wage-setting process.

SAF and the government must now ask themselves how much credibility they have left in the upcoming wage negotiations. Who will listen next year to Nicolin's assurances that there is almost no room for wage expansion?

The more one studies the members' final offer the more amazed one is apt to be. How could the government, which according to reports saw the offer in advance, have possibly accepted it?

Seldom have workers' negotiators shown such open pleasure with a mediation offer. "If we look at the level it isn't very far from our demand," said Bjorn Rosengren, KTK [Negotiating Cartel for Government Employees] on "Dagens Eko." "It was the employers who gave the most," said Lars-Erik Nicklasson of the State Employees Union.

This is what Bertil Whinberg, chairman of the Construction Workers Union, told AFTONBLADET: "It must be the first time in history that a mediation commissions has presented a final offer that must be accepted or rejected in its entirety and then came up a week later with a new final offer that is three times as high."

It looks as if LO put more of a scare into the commission and the government than it intended. The offer is characterized by panic--the conflict had to be ended at any price.

What have the wage-earner organizations achieved aside from demonstrating their power to force the government and SAF to their knees? Whatever one thinks of it this government did have a policy for bailing Sweden out of the economic crisis. That policy is more or less down the drain and those who destroyed it have nothing to offer in its place.

Olof Palme said both the government and SAF must have found the settlement economically defensible since they finally agreed to it. If he had been in their place would he have accepted such an interpretation? If one finds a settlement economically reasonable because it is better than a ruinous major conflict one has a very low standard for judging what is reasonable.

6578
CSO: 3109

GOVERNMENT EMPLOYEES LED IN RAISING STRIKE DEMANDS

Stockholm DAGENS NYHETER in Swedish 12 May 80 p 2

[Editorial]

[Text] Sven Lindqvist wrote in Sunday's edition of DAGENS NYHETER that "all sensible people agree that our material standard of living should be reduced" and that this makes it hard to enter enthusiastically into the struggle for higher wages. But it is even worse in his view to let Nicolin lower our standard of living. Lindqvist asked: "Wouldn't it be great if we had a society in which employees could safely turn down higher wages--because they themselves determine what is done with the money that is left in the business?"

In Lindqvist's opinion the major conflict concerned a new society in which "what we create with our labor becomes our joint property." Even poets should take part in the struggle.

Unfortunately Sven Lindqvist is mistaken. Not all sensible people agree that we should lower our living standards. Wage demands are not a result of the fact that private capital, represented by Nicolin, is the opposite pole from the wage earners.

The demand level in this year's negotiations has been driven up primarily by public employees who are squaring off against society--where "we ourselves make the decisions." State and municipal employees were the first to strike for higher pay. They have learned from experience that society is an adversary that compared with industry will give in quickly--an employer that cannot be driven into bankruptcy either.

Don't overestimate the strength of pure and idealistic motives in those who don't hesitate to strike against health care and who "punish" municipal employers, the people who misinterpret confrontation measures by depriving 7-year-olds of an education! Don't ask us to turn over the decision-making rights concerning our entire economy, our welfare, to these power-hungry collectivists--under the name of "economic democracy"!

A columnist wrote in ARBETET that Curt Nicolin's fan club could hold its annual meeting in a telephone booth. He may be right. But someone has to perform the useful service of saying no to exaggerated wage demands and it is pure prevarication to say that wage earners would be glad to give up wage increases if they had a more congenial adversary than SAF [Swedish Employers' Confederation] and Nicolin.

Either this was a political conflict, a struggle between two social systems that should properly have been settled in a political way or it was a wage struggle aimed at preventing a small reduction of our material standards that is necessary for the nation's economy.

6578
CSO: 3109

BANKERS WARN OF SERIOUS DISTORTION IN CREDIT MARKET

Stockholm SVENSKA DAGBLADET in Swedish 1 Apr 80 p 21

[Article by Johan Myrsten: "Anxiety About Distortions in the Credit Markets"]

[Text] "Certainly, the credit market is sick. The rules of the game are crazy now."

No situation like this has existed since the time between the two world wars."

"The situation in the credit market is the worst obstacle to the desired increase in investments."

"High inflation, high taxes, and in reality low interest rates constitute a nasty combination."

All bank managers and bank economists would certainly not use so strong words. But there is general agreement about what the most serious problems of the Swedish economy are:

The deficit in the state budget
The balance of trade deficit
High inflation
The high marginal* taxes in combination with the high opportunities for deductions.

The stress shifts upon which of these problems is most serious, but everybody agrees that together they impair the functions of the money and capital markets.

Insensible Households

"The most serious distortion in the credit market is perhaps the enormous demand for credit by households," says bank director Soren Andersson, chief of the economic secretariat of the Savings Banks' Bank.

*In this context the term "high marginal taxes" refers to high income tax brackets

Soren Andersson gives a couple of examples of how high interest rates households can supply today:

--For an ordinary employed person who pays a marginal tax of 60 percent, an interest rate of 35 percent means, at the present inflation rate of 14 percent, that he or she in practice pays no interest at all.

--Conversely, the same borrower must get 35 percent interest on his savings in order not to lose money.

--An employed person who pays a marginal tax of 80 percent can take out a loan at 70 percent interest and still have no interest cost.

In this situation the meaning of the term usury changes. At one time all interest above 10 percent was regarded as unscrupulous. To a Swede of median income usurious interest comes to 45 to 50 percent in the spring and winter of 1980. Interest rates of 2 to 25 percent are very common in the grey consumer credit market.

Deductions

Tax deductions for villas and capital gains have for several years grown very rapidly, due both to increased indebtedness and to high interest rates. According to the government Bureau of Audits' summary of 1978 taxation, deductions for business losses amounted to 12 billion kronor, an increase of 35 percent compared to 1977. Deductions for capital losses amounted to over 2 billion (37 percent more than in 1977).

"Distortions in the credit market have been in existence all through the 1970s. They have become worse and worse as people have learned how they function and inflation has increased," says Soren Andersson.

As a consequence almost everybody now tries to get as short-term loans as possible. At the same time, the state forces the banks to purchase bonds to finance its budget deficit, among other things. Of the total net increase in credits of about 100 billion kronor in 1979, less than one-fourth went to the economy.

Money Plentiful

"An industrial enterprise cannot borrow money at an interest rate of 35 percent. It has no marginal taxes to offset the interest. On the other hand, to an enterprise with surplus funds interest income of 35 percent is very tempting as an alternative to investment," says Soren Andersson.

At the present time money is plentiful in the large enterprise, not least in the export industry. The demand for bank loans by the enterprises is low just now. According to Soren Andersson the reason for this is that investment is lagging, the formerly high stocks of unsold goods have been

liquidated, and Industry Minister Asking's billion-kroner support of big enterprises hit by the crisis is beginning to come to the surface after having saved the liquidity during the difficult years of 1977 and 1978. In addition, many enterprises wish to save to gain greater liquidity than they had at the beginning of the last recession.

At the beginning of this year an enterprise such as Volvo had liquid means amounting to over 3.5 billion kronor. At the beginning of 1979 the amount was 2,385 million kronor, of which 400 million was in banks and 1,886 in short-term paper.

Deficit Serious

"I regard the deficit in the state budget as the most serious problem," says Bank Director Olle Lindgren of the economic secretariat of the SE Bank. In his opinion, liquidity requirements are too high.

"Of each krone we take in we must place close to .40 krona in so-called liquid means, primarily state and housing bonds. Thus there is less left for business. We think we are competent in other areas than lending to the public sector, housing, etc. This shunting aside of private enterprise is not good. At the same time, an increasing number of state institutions and authorities take over credit evaluation and judge the enterprises according to the growth of state credits and supports.

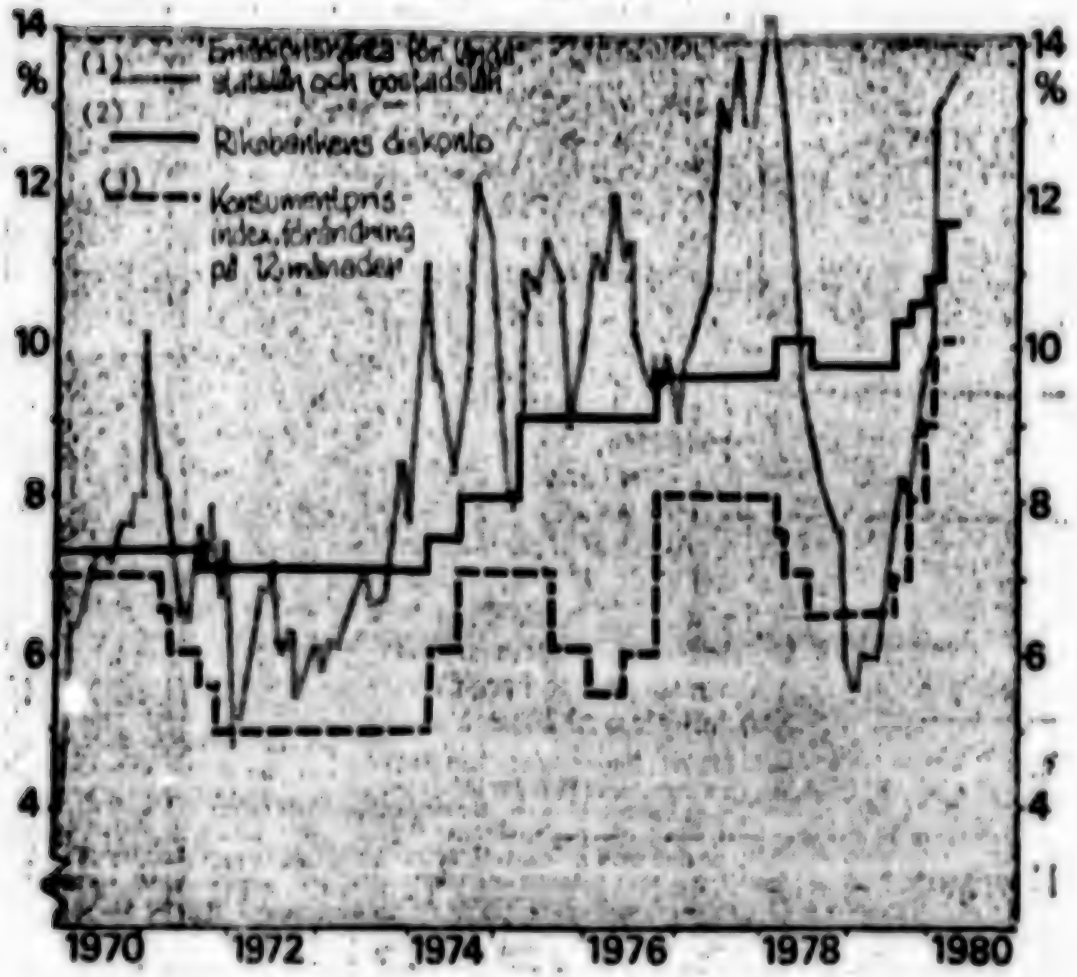
"It is becoming an upside-down world, in which private banks finance public goals, while the state finances private enterprises," Olle Lindgren sums it up.

Turning in the Overcoat

Chief of the Economic Secretariat Ph D. Lars Jacobsson thinks the most important thing is stabilizing prices and reducing the high marginal taxes.

"If present developments continue the will to save will drop over the long range. Bank savings are then reduced to a short-term safekeeping of money--approximately like turning in an overcoat to a checkroom.

"The risk is that household saving will stop, and all long-term saving concentrated in institutions and foundations. The attitude of savers will probably change quite slowly," says Lars Jacobsson.



Key: (1) Issuing interest rate for long-term state loans and housing loans (2) Central Bank discount rate (3) Consumer price index, change in 12 months.

During the 1970s the interest on long term loans (bond interest) has seldom been higher than the inflation rate. The Central Bank discount rate, which controls the usual bank interest, has almost never done so. The difference between the inflation rate and interest rates shows the actual rate, which thus for the most part has been negative.

(1) Nettoförändringar i miljoner kronor

(3) Långivare	(2) Låntagare (4) Staten	(5) Kommuner	(6) Bostäder	(7) Företag	(8) Hushåll
1978					
(9) A. I Sverige	31 153	161	18 531	17 170	10 231
(10) Riksbanken	5 004	—1	—1	7	14
(11) Affärsbanker	14 428	438	4 052	3 233	4 929
(12) Sparbanker	455	—38	2 214	1 353	3 007
(13) Föreningsbanker	—	5	126	638	811
(14) Enskilda försäkringsanstalter	3 244	174	3 460	1 330	
(15) Offentliga försäkringsanstalter	4 705	336	3 947	3 916	—
(16) Allmänheten	3 317	247	539	1 039	—
(17) Staten	—	—	3 894	2 952	1 470
(18) B. I utlandet	2 014	576	—	3 295	—
(19) Genom valutabanker	—	—	—	2 418	—
(20) Genom mellanhandsinstitut	—	312	—	465	—
(21) Övrigt	2 014	264	—	412	—
(22) Summa (A + B)	33 167	1 737	18 531	20 765	10 231

Credit in Figures

Key: (1) Net changes in millions of kronor (2) Borrowers (3) Lenders (4) The state (5) Municipalities (6) Housing (7) Enterprises (8) Households (9) A. In Sweden (10) The Central Bank (11) Commercial banks (12) Savings banks (13) Association banks (14) Private insurance companies (15) Public insurance companies (16) The public (17) The state (18) B. Abroad (19) Through foreign exchange banks (20) Through foreign trade institutes (21) Other (22) Totals

	1979				
(1) A. I Sverige	34 929	1 361	21 867	21 218	10 986
(2) Riksbanken	16 569	—	—	— 7	179
(3) Affärsbanker	1 694	622	5 849	3 776	4 168
(4) Sparbanker	1 053	— 242	2 934	1 034	4 183
(5) Föreningsbanker	— 19	— 7	419	744	856
(6) Enskilda försäkringsinrättningar	3 985	74	4 603	3 577	—
(7) Offentliga försäkringsinrättningar	5 080	1 014	3 525	4 668	—
(8) Allmänheten	8 585	— 100	342	1 486	—
(9) Staten	—	—	4 200	5 940	1 600
(10) B. I utlandet	9 042	2 120	—	2 124	—
(11) Genom valutabanker	—	—	—	6 922	—
(12) Genom mellanhandsinstitut	—	— 51	—	— 82	—
(13) Övrigt	9 042	2 171	—	— 4 716	—
(14) Summa (A + B)	43 971	1 481	21 861	23 342	10 986

Key: (1) A. In Sweden (2) The Central Bank (3) Commercial Banks (4) Savings banks (5) Association Banks (6) Private insurance companies (7) Public insurance companies (8) The public (9) The state (10) B. Abroad (11) Through foreign exchange banks (12) Through foreign trade institutes (13) Other (14) Totals

Key: (1) Total lending (2) A. In Sweden (3) The Central Bank (4) Commerical banks (5) Savings banks (6) Association banks (7) Private insurance companies (8) Public insurance companies (9) The public (10) the state (11) B. Abroad (12) Through foreign exchange banks (13) Through foreign trade institutes (14) Other (15) Totals (16) Source: The Central Bank's Credit and Foreign Exchange Review 1980:1.

	(1) Total utlåning	
	1978	1979
(2) A. I Sverige	78 566	90 361
(3) Riksbanken	5 023	14 721
(4) Affärsbanker	27 082	16 104
(5) Sparbanker	6 991	8 964
(6) Föreningsbanker	1 880	1 993
(7) Enskilda försäkringsinrättningar	11 208	12 235
(8) Offentliga försäkringsinrättningar	12 904	14 287
(9) Allmänheten	5 142	10 313
(10) Staten	8 316	11 760
(11) B. I utlandet	5 865	11 286
(12) Genom valutabanker	2 418	6 922
(13) Genom mellanhandsinstitut	777	— 133
(14) Övrigt	2 670	4 497
(15) Summa (A + B)	84 431	101 647

(16) Källa: Riksbankens Kredit- och Valutaöversikt 1980 1

11,256
CSO: 3109

CENTRAL BANK CHIEF WOHLIN URGES TIGHTER CREDIT MARKET

Stockholm SVENSKA DAGBLADET in Swedish 1 Apr 80 p 25

[Article by Johan Myrsten: "Imbalance in the Economy Calls for a Tight Credit Market"]

[Text] The problem of the credit market cannot be solved without the help of the politicians and without better coordination between the Central Bank and the government. To be sure, the Central Bank pursues for the long term a freer money and capital market, but for the near future the credit policy must continue to be tight.

These were some of the main points of the speech made by Central Bank chief Lars Wohlin on 13 March at the savings banks conference on Sweden's economic situation. The speech is regarded by many as an important statement on the policy of the Central Bank under its new chief. Large parts of the speech were overshadowed, however, by the startling proposal that [tax] deuction for interest paid be limited to 90 percent, while at the same time only 90 percent of interest received be taxable.

Lars Wohlin started by asserting that credit policy in coming years would be dominated by "two basic lacks of balance in the Swedish economy," the large deficit in the balance of trade and the large deficit in the state budget. In addition, there are the problems caused by the high rate of inflation. In his speech Wohlin discussed what woul' happen if the traditional Swedish credit policy, which limits the demand for credit both through the interest level and quantitative regulations (liquidity requireemtns for banks and insurance companies, for example) were replaced by a free interest policy and limiting the amount of money in circulation--a monetary policy.

Interest Rates Would Increase

The conclusion of the Central Bank chief was that in that case interest rates would increase considerably over the already high level. The reason for this is that important parts of the capital market are completely protected from the effect of high interest rates and have guaranteed access to capital. Large sectors of the economy are hardly affected by the development of interest rates:

--Because of the combination of high inflation and high top-bracket income taxes, as well as good tax deduction possibilities the households can stand very high interest rates.

--Housing is financed through credit at low interest, almost completely separated from bank interest. "High interest means higher housing subsidies and increased budget deficits," LarsWohlin asserted.

--Agriculture is to a high degree protected by the farmers being compensated for high interest through higher farm product prices, even though farmers with large debts can be hard hit.

--The municipalities "are not sensitive to interest rates to a significant degree. Since they have no particular objection to increasing taxes and prefer high taxes to lower expenditures they are, of course, even less sensitive to having to pay dearly for loans," says Lars Wohlin.

--A number of state-supported enterprises are compensated for high interest rates via the state budget. Others receive state-guaranteed loans. For Swedish export, for example, the state subsidizes credits.

Industry Hit

Remaining to be really hit by increased interest rates are first and foremost the (not state-supported) enterprises, not least in industry, and households of low income tax rates and low income.

"With a significant increase in the level of interest we should thus have a distribution of resources which would be the reverse of what the economy requires today. Increased interest costs lead in significant parts of the economy either to large deficits in the state budget or to higher prices," the Central Bank chief summed it up.

There are no studies on how large a part of the economy is more or less unaffected by interest rates. Lars Wohlin has given some of his subordinates the task of reporting on this.

According to Wohlin there are two roads to choose between:

"The first is to continue the regulation of credit. This would require relatively deep intervention if it is to be effective.

The other road is to change profitableness conditions to conform to the goals of economic policy. This means that households must be made more sensitive to interest rates, the pace of expansion of the municipalities made dependent upon costs, etc. I think the latter road should be chosen. This would also make possible a lower average interest rate."

Lars Wohlin stresses very strongly that the connection must be strengthened between the credit policy of the Central Bank and the government's finance policy in the wider sense (including taxes, housing policy, regulations for agriculture, state support of certain enterprises, and so on).

"Credit policy often attempts to neutralize the effects of finance policy. Or vice versa. What is needed here instead is close coordination. This does not imply a dependence upon others by the Central Bank."

11,256
CSO: 3109

BANK OFFICER DESCRIBES GROWING 'GREY CREDIT MARKET'

Stockholm SVENSKA DAGBLADET in Swedish 2 Apr 80 p 3

[Article by Lars Erik Thunholm, chairman of the board of Skandinaviska Enskilda Banken: "Unworkable Interest Control"]

[Text] With the increasing inflationary pressure that has characterized the Swedish economy since the second half of 1979 chaotic conditions have arisen in the Swedish capital market. We have had a big increase in the amount of money in circulation, but at the same time an even higher increase in the demand for credit, which has led to driving the "free" interest level to heights we have never before experienced in our country. Since last fall a veritable interest war has raged between financial institutions in the struggle for the money of depositors. This has not been able to prevent ever greater amounts of money in the economy seeking placement outside of the regular credit market in a "grey" market of increasing dimensions.

It is becoming increasingly apparent that the control of the loan interest rates of the banking institutions to which the Central Bank has devoted itself in recent years has contributed greatly to this disorganization of our credit market. The purpose of this control is to prevent deposit interest, which is free and controlled by market forces, from affecting loan interest rates. At the savings bank conference "Our Economic Situation" some weeks ago, Central Bank chief Lars Wohlin confirmed that the intention of the Central Bank was by means of these regulations to keep the level of interest rates "lower than the level equilibrium."

Negative Effects

His statement and the reasons advanced for it were noteworthy from several points of view. When the law on credit policy, which must be regarded as the standard for the money policy activity of the Central Bank, was adopted several years ago it was clearly plainly stated in the preparatory work concerning interest control measures that it was important to avoid "the negative effects which arise in interest control over the long term and at an interest level that over the long range is out of balance with the market situation." It is just such negative effects we now experience with increasing severity.

The statement by the chief of the Central Bank is also noteworthy with respect to that adherence to the rules of play of the market economy expressed at various times by the government. And the Central Bank should better than anyone else understand that a market economy without a functioning credit market and free interest rate formation can be nothing but a chimera.

Three Roads

According to the credit policy, law provisions on interest control can be imposed only if extraordinary reasons exist and must be limited to a certain period of time, at most one year. The extraordinary reasons should then above all have to do with such control being necessary to make money policy effective in a situation of crisis.

That such need has existed in recent years or exists today nobody would dare assert. On the contrary, it can be asserted that interest control as it has been applied has seriously imparied the effectiveness of the money policy. In three ways.

In the first place the interest rate is thereby prevented from restraining to the full extent the demand for credit. The money policy's restrictive, inflation-dampening effect is thus reduced.

In the second place the Central Bank thereby keeps costs down of enterprise financing in the domestic credit market relative to the cost of foreign financing in a situation in which because of balance of trade reasons it would be important to stimulate foreign financing.

In the third place, the banking institutions' ability to attract deposits is reduced. Money to a growing extent hunts for higher interest in the free market outside of the banking system. The resources available to the economy and for housing, etc., are reduced. Instead, we have a swelling grey market over which neither the Central Bank nor anybody else has any control.

Margins Sink

Another effect of interest rate control is that the profitableness is seriously impaired. Interest on deposits is driven up by the great demand for money. If the banks are to be able to compete for the savings of the public and the savings and liquid means of the enterprises they must go along with interest increases, i.e., their cost of obtaining funds increases. They are prevented, however, from recouping this increase in increased loan interest rates, and their interest margin sinks.

The situation is worsened at the same time in that the banks are forced, through the so-called liquidity quota regulations, to increase investments in government bonds and housing bonds, in which interest return in the present situation lies below the banks' own financing costs. As bank director Akerman pointed out in his speech at the housing meeting of the S-E Bank [Enskilda Banken; the private bank] these bond placements have become a case of clear loss to the banks.

Hard To Believe

To be sure, the idea is popular in this country that the banks make an awful lot of money and that steps taken to reduce bank profits are called for. It is hard to believe, however, that the Central Bank would be a victim of such vulgar ideas. The Central Bank should better than anyone else understand how important it is from the point of view of the social economy for the banks to earn adequate profits. The greater part of bank profits go toward building up bank reserves, especially important and necessary in times when inflation undermines the capital base of the banks. Despite all talk about high bank profits, these were in 1979 not large enough to counteract the effects of inflation and prevent deterioration of the solidity of the banks. The importance of maintaining the capital strength of Swedish banks is worth special attention in times when the banks must serve as important instruments in our foreign borrowing. A deterioration of the profitableness and solidity of the banking system can only negatively affect the international creditworthiness of the Swedish banks. Can the Central Bank really take on the responsibility of forcing such a development?

Serious Damage

With respect to these various negative effects the interest control exercised by the Central Bank becomes more and more untenable. It has already produced serious damage, and if it is retained it will over the long term completely disorganize our credit market. Here, as in other areas of the economy, the decision must be made as to whether one wants a centrally controlled planned economy or a market economy. An attempt to take a middle road will only cause serious derangements. It will not do to control certain interest rates and leave others free. It is to be hoped that the Central Bank will come to a realization of this before we end up in complete chaos in the credit market.

11,256
CSO: 3109

ENCOURAGED, OPAB INCREASES GOTLAND OIL SEARCH

Stockholm DAGENS NYHETER in Swedish 9 Apr 80 p 30

[Article by Lasse Hoglund: "New Oil Hope at Gotland"]

[Text] The oil searchers in northern Gotland have new hope. Semi-state OPAB has found traces of oil in two new holes, close to the two holes near Rute which produced oil before Christmas. An additional six holes are now to be drilled.

The two new boreholes lie close to Risugns, south of Rute, where OPAB hit oil in December.

"The wells are now to be made ready for production; they are to be cased, and we shall inject hydrochloric acid to stimulate the flow," says vice director Arne Carlsson of OPAB.

"But we don't know how much there will be or how long it will last," he points out.

The two wells, at Risugns and at Fardume, 5 kilometers away, which produced oil in December, each now produces about 7,000 liters per day. This corresponds approximately to the annual consumption of four villas. The wells have been closed down during the winter because of problems with storage and transportation.

According to earlier plans OPAB's drilling in Gotland was to be terminated at New Years. New high hope arose therefrom when two wells produced oil. The disappointment was at least equally great, at least in the press, when a third well between the two first produced nothing at all.

"It is a natural thing not to hit oil," says Arne Carlsson. "But now we have a new drilling program at least, in which we are to drill six more holes."

During the next few months OPAB will drill four new holes in the Rute tract, and later the rigs will be moved to Helvi and Larbo, not far away.

"In addition we shall undertake new seismic measurements in the area, and later additional drilling may be undertaken," says Arne Carlsson. The December finds also makes it more interesting to continue exploration at sea. There, however, no results can be expected before this fall.

Low Sulphur Content

The discovery in northern Gotland is regarded as the thus far most interesting. The successful well drilled in the southern part of the island produced approximately the same amount of oil at first to be sure, but later the flow diminished. Production is still under way in seven wells farthest to the south.

Oil exploration in Gotland began in 1972, and the first discoveries were made in 1974. Thus far OPAB has pumped 8,000 cubic meters, or about 6 million tons of oil, from the bedrock of Gotland.

Thus far the income from the oil, which is refined in Nynashamn, has only approximately covered the cost of drilling. With rising oil prices, however, the finds will be more profitable. The oil of Gotland is of good quality, with a very low sulphur content.

11,256
CSO: 3109

IMPORTANCE OF TRADE WITH CEMA COUNTRIES ANALYZED

Geneva DIE WELTWOCHE in German 26 Mar 80 pp 7-8

[Article by Roger de Weck: "Neither Boom Nor Boycott"]

[Text] At present, Swiss businessmen in Moscow are received with "unprecedented friendliness." But Swiss big industry does not want to profit by the U.S. sanctions against the USSR. Some of the smaller firms, on the other hand, which need not show consideration for the Americans, are full of hope. But for most branches of the Swiss economy, the Eastern market is of little consequence.

Full of enthusiasm, the boss returned from the East. The cadres of the medium-sized plant received instructions to "move full steam ahead, to step up business transactions with the East." A few weeks later, the Soviets occupied Afghanistan. "Caution, slow down, restraint," were now the new orders from the executive suite.

Caution? Slow down? Restraint? In the last few weeks and months, this question occupied many a Swiss industrialist. But only very few adopted a new, more conservative policy toward the East. The associations and individuals in authority generally recommended that the Swiss economy should "remain neutral and carry on as before."

For Swiss industry, the Eastern Bloc giant has so far been a pygmean customer: In 1979, the seven East European CEMA states spent just 1.8 billion francs for goods "made in Switzerland"--a mere 4 percent of total Swiss exports. Since 1977, exports to the East have decreased by one-sixth. Last year, the USSR, the most important red trade partner, bought Fr 440 million worth of Swiss goods--one-hundredth of total Swiss exports. "Rather little," regretfully commented Leonid Ovchinnikov, first secretary of the Soviet embassy in Bern.

However, appearances are deceptive: The Soviet Union is the second biggest customer of the Swiss machine tool industry. In 1976, the Russian machine tool imports even exceeded those of the West Germans; in 1977, the USSR and

the FRG shared first place among the machine tool buyers. Although last year a certain decline set in, the Soviet Union still took 18 percent of Switzerland's machine tool exports.

In 1979, over 5 percent--i.e. over Fr 1 billion--of the total exports of the metalworking and machine building industries went to CEMA states. The Eastern share of Switzerland's chemical exports amounted to as much as 7.6 percent, with agricultural chemicals and dyes predominating.

For the Swiss economy, the Eastern Bloc market probably is as insignificant as is Austria; but for the two branches that are the main supporters of the trade with the East it is of importance. The chemical and the machine tool industries account for 51 percent of the exports to the red East. "Certain firms are very active in this area," notes a businessman trading with the East.

On the other hand, Switzerland's consumer goods producers would very much like to "do a little more." For consumer goods exports to the CEMA countries are nothing to brag about. In 1979, the watchmaking industry exported to the Soviet Union just 64 watches "made of base metals." Even Madagascar bought more watches (715). The "Commission mixte horlogere" [Joint Watchmaking Commission] is engaged in a Sisyphean task. Gone are the days when Polish papers during the Christmas season joyfully reported the arrival of watches or chocolate from the country of Wilhelm Tell. Nevertheless, the food industry entertains hopes of making a few sales in certain fields such as the baby food sector.

The Swiss do not want to give up the trade with the Eastern Bloc or the cooperation with the "red" industrialists on third markets. However, not a single one of Switzerland's large concerns is so dependent on CEMA as is the German Mannesmann group, which markets one-fourth of its exports in East Europe. Aside from a few important exceptions, the transactions with the Eastern Bloc countries are not conducted on a regular basis; rather, they are a matter of chance.

For Ciba-Geigy, the Basel chemical giant, trade with the East is a tradition. However, as Ciby president Louis von Planta pointed out a year ago at the press conference on the occasion of the annual report, the exports to the CEMA countries account for less than 4 percent of the concern's total turnover. Since the Basel parent firm has been especially active in the Eastern trade, it is only natural that "for the most part" (Planta) the shipments come from Switzerland. To be sure, no Eastern state belongs to the elite group of the 15 most important client countries.

Nor does the Sandoz report include CEMA in the "hit parade" of the top 12 markets. But the Sandoz chemists do not look down on the Eastern market: General Director Max Rediger succeeded Etienne Junod, the former Roche director, as chairman of the "Joint Swiss-Soviet Commission for Economic Cooperation." It is said that for ideological reasons Roche exercised special

restraint in regard to trade with the communists. Today the exquisite scents of the Roche subsidiary Givaudan are marketed also in the CSSR, the USSR and other states.

According to rough estimates based on the Sulz annual report, the Eastern exports of the Winterthur concern appear to constitute less than 5 percent. In Poznan (Posen), Poland, Sulz motors are manufactured under license. A short time ago, the Poles celebrated the production of the millionth "horsepower."

In the case of the Schaffhausen firm of Georg Fischer, the sales to CEMA states account for 4 percent (1978). The Eastern exports of Brown-Boveri or Buehrle are even less extensive. As is well known, Buehrle does not sell any weapons to the Warsaw Pact states. It was only recently that the Soviet army organ KRASNAYA ZVEZDA reviled the Swiss and the Swedish armaments industries: "The egotistic interests of the military industrialists are detrimental to their countries' neutrality."

For the Zug Landis & Gyr group, the dealings with the East are "hardly worth mentioning: Less than 1 percent." President Andreas C. Brunner: "We are not interested in expanding this trade."

It is rather the numerous small and medium-size enterprises that show an "Eastern orientation." "In certain firms, trade with the East accounts for as much as 70 percent," notes an expert in this field. At one time, it was only on account of a large Soviet order that the Geneva Tarex SA was able to survive.

The Russians have probably for some time been interested in doing business with small manufacturers. In the "Joint Commission", they expressed the desire for increased cooperation with small and medium-size enterprises, claiming that the potential in this area had not been tapped. Small firms often have difficulty in resisting a tempting inquiry; if they manage to get through the interminable and costly negotiations and to meet the demands for compensation, they thus run the risk of becoming dependent. According to a specialist on trade with the East, "this is an unsolved problem."

Even some of the large firms lack a well-thought-out policy toward the East or the instruments for implementing it. However, this is not true of the Geigy concern, whose concept is exemplary: Through a committee in charge of trade with the East, the East Europe experts of a number of departments--pharmaceutics, additives, agricultural chemistry, dyes and chemicals--coordinate their activities with the financial department and with the head of the East Europe purchasing department.

It goes without saying that there is less coordination in regard to the "official" Swiss Eastern trade policy, which once was intensified by Ambassador Raymond Probst, Weitnauer's successor. While in Moscow it is not by accident that the foreign ministry and the ministry of foreign trade are

quartered in the same building, in Switzerland many agencies and organizations are involved: The Federal Office for Foreign Trade, the Federal Department of Foreign Affairs, the Administrative Center, the branch associations and chambers of commerce, the firms, the National Bank, the banks, and last but not least the Swiss Central Office for the Promotion of Trade. Due to its semiofficial status, the latter has been playing a leading role in the relations with the East, on account of which it has also incurred some criticism.

In 1972, the Swiss enterprises engaged in trade with the Soviet Union formed an association based on their community of interests--with a view to an organization bearing the jargonistic name of "Joint Swiss-Soviet Commission for Scientific-Technological, Industrial and Economic Cooperation" which was established in the following year. In June 1973, a Swiss 38-member delegation flew per Swissair charter to the first "historical" session in Moscow.

As early as 1948, Switzerland and the USSR had assured each other--within the framework of a trade agreement--of most-favored nation treatment. Twenty years later, there followed an "Agreement on the Development of Economic Cooperation" which remained in force for 10 years. This agreement formed the basis of a detailed "Long-Term Program" of cooperation, which came into force on 9 July 1979.

Even Soviet foreign trade officials do not take very seriously the pompous declarations on the state and prospects of the cooperation: "Blabla, bureaucratese." According to businessmen engaged in trade with the East, the excessive efforts and the Joint Commission have so far produced "not a single contract." But the commission facilitates direct contacts with the Moscow ministries concerned and it functions as a "wailing wall" for problems such as visa difficulties.

The numerous direct sales and skeleton agreements between the individual firms and the USSR are sometimes more effective. But according to an Eastern trader, these agreements, too, are "more like a ritual."

However, an abandonment of the interstate agreements would have been considered by the Russians as an indication of lack of interest. And interest is not lacking at all. At its 6th session, which took place in Zurich from 10 to 13 July 1979, the Joint Commission emphasized "the necessity to continue the attempts of both sides to expand trade." It was with satisfaction that the 26 participants took note of the following measures: "Participation by a number of Soviet foreign trade organizations in the Basel sample exhibition; staging of the second Swiss machine tool fair in Moscow; USSR visits of three large delegations of Swiss businessmen; organization of a Swiss technical week in Moscow by the Swiss Central Office for the Promotion of Trade." Those were the days when the words "Eastern trader" were an invective, in consequence of which the infamous "slanderer" was sued for libel before the Federal Court.

8760
CSO: 3103

'MILLI GAZETE' BLASTS JUSTICE PARTY, POLICIES

Istanbul MILLI GAZETE in Turkish 13 May 80 pp 1, 11

[Text] The sixth-month record of the JP minority government drives home the fact that there is a speedy degeneration in every area. Anarchy and the cost of living head the list of areas experiencing the most rapid decay. The decay of education is evidenced in extending primary school to 8 years, closing the middle level of Imam Hatip [religious instruction] schools, and introducing tourism and theater lessons instead of moral lessons into certain vocational secondary schools. TRT's immoral films are notable in showing what sort of mentality would take charge of TRT were the JP to come to power alone. It is clear to us that adhering to a pro-Israel foreign policy is on the debacles completely contrary to our national interests.

To destroy is easy but to create is hard. The JP minority government incessantly drives up the interest rates through the warped theory of the capitalist system that it mimics. Thus, it monopolizes the use of capital by constantly boosting the cost of credit. It is carrying forward a dark Zionist plot by insuring that money is concentrated in the hands of five or six. The government is making impossible the establishment of small-capacity jobsites through the continual boosting of interest rates. It will be very hard for even medium-capacity jobsites to stay afloat--let alone set up small-capacity jobsites--with interest rates approaching 80 percent. This will facilitate the work of the five or six major capitalists in the country. A major portion of the guilds and artisans who form a middle layer will be swept away by the JP minority government's destructiveness. The annihilation of this middle layer will prepare the most conducive environment of the sprouting of communism which the JP views with dread!

Since the JP minority government came to power, anarchy has assumed new dimensions and the number of those who have died has nearly doubled in comparison to a year ago. The rise in the number of injured is at an even higher ratio. The cost of living has reached levels that will drive the masses to revolution.

In short, the JP minority government has used the opportunity given it so that it can destroy Turkey and it has made the most of it. Turkey has suffered great damage in every area. As we said before, to destroy is easy but to create is hard. Overcoming the JP's mayhem will take Turkey some time.

CSO: 4907

MORE CREDIT GIVEN PRIVATE SECTOR

Istanbul MILLI GAZETE in Turkish 8 May 80 pp 1, 11

[Text] According to the Agriculture Bank's "Weekly Situation Report," it is reported that the operation to tighten public sector credit and decrease banknotes in circulation presses on while the increase in bank-channeled credit to the private sector continues.

According to the bank's 25 April report, the credit available to the private sector has risen from 163.9 billion to 165.4 billion lira, with a 1.5 billion lira credit increase in 1 week. This development stems from advances on incremental bonds credited to the private sector and the credit boost given agrarian-credit cooperatives. Meanwhile, there has been a total 2.9 billion lira decrease in credit for agrarian financing and agrarian-sales cooperatives through negotiable instruments, mid-term credit, and deposits. However, since there is a 4.4 billion lira surplus in those accounts registering an increase, the total amount of credit to be given the private sector has increased 1.5 billion lira.

On the other hand, according to the Central Bank's weekly report, there continues to be a drop in credit destined for the public sector. While the amount of credit available to the public sector has dropped to 3.3 billion lira since March, it further decayed to 1.5 billion lira within the week between 18 and 25 April.

In this connection, it appears that the "SEE [State Economic Enterprise] money policy"--which the Central Bank implemented with the specific goal of "drawing in the reins" on price hikes--continues and that the amount of money on the market as late as 25 April had decreased another 2 billion lira. The number of banknotes in circulation--being 193.0 billion lira on 18 April--dropped to 191 billion as of 25 April. Thus, it was reported that in the period since the start of April, 11 billion lira in banknotes had been pulled from the market and that the number of banknotes in circulation--being 202.3 billion lira at the start of April--dropped to 191 [billion] lira by 25 April.

CSO: 4907

NUMBER OF BEGGARS INCREASES, CAMP SET UP

Istanbul CUMHURIYET in Turkish 8 May 80 p 5

[Text] The municipality reportedly obtains 221,550 lira a year from beggars. It is reported that the number of beggars in Istanbul comes to 10,000 despite records showing 7,000. Authorities stress that begging cannot be prevented and that the number of beggars increases every day because of the high cost of living, inflation and disruption of the social order. The number of "hopefuls" in Turkey--whose unemployed exceeds 5 million--who come to Istanbul seeking work is steadily increasing. Authorities are helpless when facing the unemployment and begging of some of those who migrate unpreventably to Istanbul.

Istanbul police officials, who have embarked on an intensive campaign against beggars, say that they are trying to dissuade begging with only fines. The police, who send persons arrested for begging to the Beggars Camp, say that this camp has the capacity to shelter only 30-40 beggars.

Sabri Hatirnaz, the 32-year-old director of the camp, which is located in the rear garden of the Darulaceze [Poorhouse], gave the following information on the camp (in which we did not run into a single beggar):

"We made the washroom of the Darulaceze usable as the camp. A police team is assigned to round up beggars. The beggars who are arrested and brought to the camp stay at most for a day since they can get up and go after they pay the fine. Therefore, it seems that the camp is abandoned from time to time. The laws provide for our giving stiffer sentences to the beggars we arrest but they are not viable."

Camp director Hatirnaz stated that beggars who pay the 250-500 lira fine never give up begging. He said, "A beggar's daily take is 10,000, sometimes more. His lowest take is between 3,000-5,000 lira."

Hatirnaz, who remarked that the laws are virtually on the side of the beggar, said, "The 1916 Regulation Governing the Prevention of Beggary is more applicable than the articles of the republic's laws 544 and 545. According to the regulation," Hatirnaz stated, "a fine for the beggar was exacted and they were sent off en masse to their places of birth."

Hatirnaz said, "The beggar, whose ticket is paid for and who is put on a train beside a policeman up to the Izmit border, comes back to Istanbul in less than a few hours. Although we turn him over to the Izmit Municipality, we see the same beggar in downtown Istanbul the day after. As a result, this method has been abandoned. We are trying to get the beggar to give up begging only with fines."

When examining the camp records, it appears that several beggars brought to the camp were not cowed by the fines. The authorities, who look with a jaundiced eye at those who beg unnecessarily, say that the former beggar houses no longer exist. One beggar, who complained right to the authorities about his constantly being brought to the camp, said that he could pay the 1,000 lira fine to the police and the municipality within the week. Municipal officials said that this beggar made 60,000 lira a week and did not want to lose time.

CSO: 4907

COTTON YARN IMPORTATION REQUESTED AS DOMESTIC PRICES RISE

Istanbul CUMHURIYET in Turkish 7 May 80 p 4

[Text] It has been determined that after a long period Turkey this year is compelled to import cotton yarn and that the exorbitant rise in prices on the domestic market has influenced this. It has been learned that the government is inclined to permit the import of cotton yarn provided it is done from specific countries.

According to what has been ascertained, the prices of cotton yarn on the domestic market rose to 450-500 lira after the 25 January measures were adopted. To this end, textile manufacturers and ready-made garment makers were hard pressed by the rise in prices and the difficulties in securing invoices. Textile manufacturers and ready-made garment makers, who made a request within the framework of an edict providing for the customs-free procurement of raw material to be used in export-oriented production, found invoiced, cheap cotton yarn in foreign countries. Thereupon, they made a request to the Incentives and Implementation Office in the Prime Minister's Office. But the government's policy that "matters concerning exports will be dealt with quickly" did not hold true in this case. In fact, the Incentives and Implementation Office never gave any answer at all to the request made on 1 February 1980.

According to information received, Swiss exporters were selling 30/1 quality cotton yarn for $3.90. The price of delivery--including shipment--to a worksite in Istanbul came to 300-310 lira. Whereas, the domestic market price in February for the same quality yarn was around 500 lira. Swiss exporters were also selling 20/1 quality yarn at $3.25. The equivalent importation price for this type of yarn, marked from 450 lira on the domestic market, does not exceed 260 lira.

The matter was put on the agenda in an export seminar held the other day. The representative of the ready-made industry asked Ekrem Pakdemir, head of the Incentives and Implementation Office, "Why has our request not been answered since February?" To this Pakdemir responded, "Permission will be granted to import cotton provided it is from Pakistan." This announcement, however, drew a "reaction" from the yarn manufacturers in the room. The representative of the ready-made garment industry insisted that they had established an export link and that they be granted import permission. It is expected that the matter will be clarified in the days ahead and that Turkey will import cotton yarn in 1980 for the first time in years.

CSO: 4907

END

SELECTIVE LIST OF JPRS SERIAL REPORTS

WESTERN EUROPE SERIAL REPORTS

WEST EUROPE REPORT
WEST EUROPE REPORT: Science and Technology

WORLDWIDE SERIAL REPORTS

WORLDWIDE REPORT: Environmental Quality
WORLDWIDE REPORT: Epidemiology
WORLDWIDE REPORT: Law of the Sea
WORLDWIDE REPORT: Nuclear Development and Proliferation
WORLDWIDE REPORT: Telecommunications Policy, Research and Development

END OF FICHE DATE FILMED

17 June 1980

D.D.